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576-02103-16

Proposed Committee Substitute by the Committee on Appropriations
(Appropriations Subcommittee on General Government)

A bill to be entitled

An act relating to title insurance; amending s.
627.778, F.S.; increasing a title insurer's limit of
risk from one-half of its surplus as to policyholders
to the entirety of its surplus; revising an exception
to the limit; providing that the risk limitation does
not prohibit ceding portions of the total risk to
specified reinsurers; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraphs (a) and (c) of subsection (1) of
section 627.778, Florida Statutes, are amended to read:

627.778 Limit of risk.—

(1) (a) A title insurer may not issue any contract of title
insurance, either as a primary insurer or as a coinsurer or
reinsurer, upon an estate, lien, or interest in property located
in this state unless:

1. The contract shows on its face the dollar amount of the
risk assumed; and

2. The dollar amount of the risk assumed does not exceed
~~one-half of~~ its surplus as to policyholders, unless the excess
is simultaneously reinsured in one or more authorized ~~approved~~
insurers or one or more reinsurers that may provide reinsurance
under s. 624.610.

(c) This subsection does not prohibit:

1. The simultaneous issuance of policies insuring different



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28 estates, liens, or interests in the same property, if each of
29 the simultaneous policies excepts the paramount estates, liens,
30 or interests to which the insured estate, lien, or interest is
31 subject and if each of the simultaneous policies conforms to
32 this subsection.

33 2. Ceding portions of the total risk to authorized insurers
34 or reinsurers that may provide reinsurance under s. 624.610.
35 Insurance ceded, including coinsurance effected, is a retention
36 of risk by the insurer assuming the ceded risk, and not by the
37 insurer ceding the risk.

38 Section 2. This act shall take effect July 1, 2016.