

By Senator Richter

23-00503-16

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1 A bill to be entitled
2 An act relating to title insurance; amending s.
3 627.778, F.S.; increasing a title insurer's limit of
4 risk from one-half of its surplus as to policyholders
5 to the entirety of its surplus; changing a reference
6 to "approved insurers" to "authorized insurers";
7 providing that title insurers may obtain reinsurance
8 from an assuming insurer with a specified financial
9 strength rating from A.M. Best Company, Inc., or an
10 alternative rating from another organization approved
11 by the Commissioner of the Office of Insurance
12 Regulation; providing an effective date.

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

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16 Section 1. Paragraph (a) of subsection (1) of section
17 627.778, Florida Statutes, is amended, and subsection (4) is
18 added to that section, to read:

19 627.778 Limit of risk.—

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

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

26 2. The dollar amount of the risk assumed does not exceed
27 ~~one-half of~~ its surplus as to policyholders, unless the excess
28 is simultaneously reinsured in one or more authorized ~~approved~~
29 insurers.

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30 (4) Notwithstanding any other provision of this part, a
31 title insurer may obtain reinsurance by a reinsurance treaty or
32 other reinsurance agreement from an assuming insurer that has a
33 financial strength rating of "A" or higher from A.M. Best
34 Company, Inc., or that has an alternative rating from another
35 recognized rating organization which is approved and determined
36 by the commissioner to be an equivalent rating.

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