

By the Committees on Appropriations; and Banking and Insurance;
and Senator Richter

576-03792-16

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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; revising an exception
6 to the limit; providing that the risk limitation does
7 not prohibit ceding portions of the total risk to
8 specified reinsurers; providing an effective date.
9

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

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

14 627.778 Limit of risk.—

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

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

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

26 (c) This subsection does not prohibit:

27 1. The simultaneous issuance of policies insuring different
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

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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.