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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/11/2016	.	
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The Committee on Banking and Insurance (Lee) recommended the following:

Senate Amendment

Delete lines 39 - 76
and insert:
are members of an insurance holding company system that has \$1 billion or more in surplus as to policyholders and a superior, excellent, exceptional, or an equivalent financial strength rating by a rating agency acceptable to the office:

(a) A reserve with respect to unearned premiums for policies written or title liability assumed in reinsurance



11 before July 1, 1999, equal to the reserve established on June
12 30, 1999, for those unearned premiums with such reserve being
13 subsequently released as provided in subsection (2). For
14 domestic title insurers subject to this section, such amounts
15 shall be calculated in accordance with state law in effect at
16 the time the associated premiums were written or assumed and as
17 amended before July 1, 1999.

18 (b) A total amount equal to 30 cents for each \$1,000 of net
19 retained liability for policies written or title liability
20 assumed in reinsurance on or after July 1, 1999, with such
21 reserve being subsequently released as provided in subsection
22 (2). For the purpose of calculating this reserve, the total of
23 the net retained liability for all simultaneous issue policies
24 covering a single risk shall be equal to the liability for the
25 policy with the highest limit covering that single risk, net of
26 any liability ceded in reinsurance.

27 (c) On or after January 1, 2014, for title insurers that
28 are members of an insurance holding company system that has \$1
29 billion or more in surplus as to policyholders and a superior,
30 excellent, exceptional, or an equivalent financial strength
31 rating by a rating agency acceptable to the office, or title
32 insurers holding \$50 million or more in surplus as to
33 policyholders as of the previous year end, a minimum of 6.5
34 percent of the total of the following:

- 35 1. Direct premiums written; and
- 36 2. Premiums for reinsurance assumed, plus other income,
37 less premiums for reinsurance ceded as displayed in Schedule P
38 of the title insurer's most recent annual statement filed with
39 the office with such reserve being subsequently released as



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40 provided in subsection (2). Title insurers with less than \$50
41 million in surplus as to policyholders that are not members of
42 an insurance holding company system that has \$1 billion or more
43 in surplus as to policyholders and a superior, excellent,
44 exceptional, or an equivalent financial strength rating by a
45 rating agency acceptable to the office must continue to record
46 unearned premium reserve in