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LEGISLATIVE ACTION

Senate

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House

Floor: 1a/RE/2R

05/04/2017 10:05 PM

Senator Brandes moved the following:

1 **Senate Amendment to Amendment (505904) (with title**
2 **amendment)**

3
4 Delete lines 191 - 222

5 and insert:

6 Section 5. Subsection (1) of section 624.407, Florida
7 Statutes, is amended to read:

8 624.407 Surplus required; new insurers.—

9 (1) To receive authority to transact any one kind or
10 combinations of kinds of insurance, as defined in part V of this
11 chapter, an insurer applying for its original certificate of



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12 authority in this state shall possess surplus as to
13 policyholders at least the greater of:

14 (a) For a property and casualty insurer, \$5 million, or
15 \$2.5 million for any other insurer;

16 (b) For life insurers, 4 percent of the insurer's total
17 liabilities;

18 (c) For life and health insurers, 4 percent of the
19 insurer's total liabilities, plus 6 percent of the insurer's
20 liabilities relative to health insurance;

21 (d) For all insurers other than life insurers and life and
22 health insurers, 10 percent of the insurer's total liabilities;

23 (e) Notwithstanding paragraph (a) or paragraph (d), for a
24 domestic insurer that transacts residential property insurance
25 and is:

26 1. Not a wholly owned subsidiary of an insurer domiciled in
27 any other state, \$15 million.

28 2. A wholly owned subsidiary of an insurer domiciled in any
29 other state, \$50 million; ~~or~~

30 (f) Notwithstanding paragraphs (a), (d), and (e), for a
31 domestic insurer that only transacts limited sinkhole coverage
32 insurance for personal lines residential property pursuant to s.
33 627.7151, \$7.5 million; or

34 (g) Notwithstanding paragraphs (a), (d), and (e), for an
35 insurer that only transacts residential property insurance in
36 the form of renter's insurance, tenant's coverage, cooperative
37 unit owner insurance, or any combination thereof, \$10 million.

38 Section 6. Subsection (1) of section 624.408, Florida
39 Statutes, is amended to read:

40 624.408 Surplus required; current insurers.-



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41 (1) To maintain a certificate of authority to transact any
42 one kind or combinations of kinds of insurance, as defined in
43 part V of this chapter, an insurer in this state must at all
44 times maintain surplus as to policyholders at least the greater
45 of:

46 (a) Except as provided in paragraphs (e), (f), and (g),
47 \$1.5 million.

48 (b) For life insurers, 4 percent of the insurer's total
49 liabilities.

50 (c) For life and health insurers, 4 percent of the
51 insurer's total liabilities plus 6 percent of the insurer's
52 liabilities relative to health insurance.

53 (d) For all insurers other than mortgage guaranty insurers,
54 life insurers, and life and health insurers, 10 percent of the
55 insurer's total liabilities.

56 (e) For property and casualty insurers, \$4 million, except
57 for property and casualty insurers authorized to underwrite any
58 line of residential property insurance.

59 (f) For residential property insurers not holding a
60 certificate of authority before July 1, 2011, \$15 million.

61 (g) For residential property insurers holding a certificate
62 of authority before July 1, 2011, and until June 30, 2016, \$5
63 million; on or after July 1, 2016, and until June 30, 2021, \$10
64 million; on or after July 1, 2021, \$15 million.

65 (h) Notwithstanding paragraphs (e), (f), and (g), for a
66 domestic insurer that only transacts limited sinkhole coverage
67 insurance for personal lines residential property pursuant to s.
68 627.7151, \$7.5 million.

69 (i) Notwithstanding paragraphs (a), (d), and (e), for an



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70 insurer that only transacts residential property insurance in
71 the form of renter's insurance, tenant's coverage, cooperative
72 unit owner insurance, or any combination thereof, \$10 million.

73
74 The office may reduce the surplus requirement in paragraphs (f)
75 and (g) if the insurer is not writing new business, has premiums
76 in force of less than \$1 million per year in residential
77 property insurance, or is a mutual insurance company.

78
79 ===== T I T L E A M E N D M E N T =====

80 And the title is amended as follows:

81 Delete lines 446 - 449

82 and insert:

83 Florida Hurricane Catastrophe Fund; amending ss.
84 624.407 and 624.408, F.S.; specifying the minimum
85 surplus as to policyholders for insurers that only
86 transact in specified forms of residential property
87 insurance;