

1                                   A bill to be entitled  
 2           An act relating to nonadmitted insurance markets;  
 3           amending s. 626.916, F.S.; removing the price cap on  
 4           per-policy fees that surplus lines agents may charge  
 5           for certain policies; requiring such fees to be  
 6           itemized and enumerated in a policy; amending s.  
 7           626.931, F.S.; deleting the requirement that surplus  
 8           line agents file an affidavit with the Florida Surplus  
 9           Lines Service Office; conforming cross-references;  
 10          amending s. 626.932, F.S.; revising the requirements  
 11          for surplus lines agents' tax remittance to the  
 12          Florida Surplus Lines Service Office; revising the tax  
 13          rate of certain surplus lines policies; amending s.  
 14          626.935, F.S.; conforming provisions to changes made  
 15          by the act; amending s. 627.715, F.S.; revising the  
 16          expiration date of provisions relating to certain  
 17          surplus lines contracts or endorsements; providing  
 18          effective dates.

19  
 20   Be It Enacted by the Legislature of the State of Florida:

21  
 22           Section 1. Subsection (4) of section 626.916, Florida  
 23   Statutes, is amended to read:

24           626.916 Eligibility for export.—

25           (4) A reasonable per-policy fee, ~~not to exceed \$35,~~ may be

26 | charged by the filing surplus lines agent for each policy  
27 | certified for export. This per-policy fee must be itemized  
28 | separately to the customer before purchase and enumerated in the  
29 | policy.

30 | Section 2. Subsections (1), (2), and (5) of section  
31 | 626.931, Florida Statutes, are amended to read:

32 | 626.931 ~~Agent affidavit and Insurer reporting~~  
33 | ~~requirements.-~~

34 | ~~(1) Each surplus lines agent that has transacted business~~  
35 | ~~during a calendar quarter shall on or before the 45th day~~  
36 | ~~following the calendar quarter file with the Florida Surplus~~  
37 | ~~Lines Service Office an affidavit, on forms as prescribed and~~  
38 | ~~furnished by the Florida Surplus Lines Service Office, stating~~  
39 | ~~that all surplus lines insurance transacted by him or her during~~  
40 | ~~such calendar quarter has been submitted to the Florida Surplus~~  
41 | ~~Lines Service Office as required.~~

42 | ~~(2) The affidavit of the surplus lines agent shall include~~  
43 | ~~efforts made to place coverages with authorized insurers and the~~  
44 | ~~results thereof.~~

45 | (3)~~(5)~~ The department may waive the filing requirements  
46 | described in subsections (1) ~~(3)~~ and (2) ~~(4)~~.

47 | Section 3. Effective January 1, 2020, paragraph (a) of  
48 | subsection (2) and subsection (3) of section 626.932, Florida  
49 | Statutes, are amended, and subsection (1) of that section is  
50 | republished, to read:

51           626.932 Surplus lines tax.—

52           (1) The premiums charged for surplus lines coverages are  
 53 subject to a premium receipts tax of 5 percent of all gross  
 54 premiums charged for such insurance. The surplus lines agent  
 55 shall collect from the insured the amount of the tax at the time  
 56 of the delivery of the cover note, certificate of insurance,  
 57 policy, or other initial confirmation of insurance, in addition  
 58 to the full amount of the gross premium charged by the insurer  
 59 for the insurance. The surplus lines agent is prohibited from  
 60 absorbing such tax or, as an inducement for insurance or for any  
 61 other reason, rebating all or any part of such tax or of his or  
 62 her commission.

63           (2) (a) The surplus lines agent shall make payable to the  
 64 department the tax related to each calendar quarter's business  
 65 as reported to the Florida Surplus Lines Service Office under s.  
 66 626.931, and remit the tax to the Florida Surplus Lines Service  
 67 Office on or before the 45th day following each calendar quarter  
 68 and at the same time as the remittance of fees and interest  
 69 required ~~provided for the filing of the quarterly affidavit,~~  
 70 under s. 626.9325 ~~s. 626.931~~. The Florida Surplus Lines Service  
 71 Office shall forward to the department the taxes and any  
 72 interest collected pursuant to paragraph (b), within 10 days of  
 73 receipt.

74           (3) If a surplus lines policy covers risks or exposures  
 75 only partially in this state and the state is the home state as

76 defined in the federal Nonadmitted and Reinsurance Reform Act of  
 77 2010 (NRRA), the tax payable must ~~shall~~ be computed on the gross  
 78 premium. The surplus lines policy shall be taxed in accordance  
 79 with subsection (1) unless the policyholder chooses to be taxed  
 80 at ~~The tax must not exceed the tax~~ rate where the risk or  
 81 exposure is located.

82 Section 4. Paragraph (d) of subsection (1) of section  
 83 626.935, Florida Statutes, is amended to read:

84 626.935 Suspension, revocation, or refusal of surplus  
 85 lines agent's license.—

86 (1) The department shall deny an application for, suspend,  
 87 revoke, or refuse to renew the appointment of a surplus lines  
 88 agent and all other licenses and appointments held by the  
 89 licensee under this code, on any of the following grounds:

90 (d) Failure to make and file his or her ~~affidavit or~~  
 91 reports when due as required by s. 626.931.

92 Section 5. Subsection (4) of section 627.715, Florida  
 93 Statutes, is amended to read:

94 627.715 Flood insurance.—An authorized insurer may issue  
 95 an insurance policy, contract, or endorsement providing personal  
 96 lines residential coverage for the peril of flood or excess  
 97 coverage for the peril of flood on any structure or the contents  
 98 of personal property contained therein, subject to this section.  
 99 This section does not apply to commercial lines residential or  
 100 commercial lines nonresidential coverage for the peril of flood.

101 An insurer may issue flood insurance policies, contracts,  
102 endorsements, or excess coverage on a standard, preferred,  
103 customized, flexible, or supplemental basis.

104 (4) A surplus lines agent may export a contract or  
105 endorsement providing flood coverage to an eligible surplus  
106 lines insurer without making a diligent effort to seek such  
107 coverage from three or more authorized insurers under s.  
108 626.916(1)(a). This subsection expires July 1, 2025 ~~2019~~, or on  
109 the date on which the Commissioner of Insurance Regulation  
110 determines in writing that there is an adequate admitted market  
111 to provide coverage for the peril of flood consistent with this  
112 section, whichever date occurs first. If there are fewer than  
113 three admitted insurers on the date this subsection expires, the  
114 number of declinations necessary to meet the diligent-effort  
115 requirement shall be no fewer than the number of authorized  
116 insurers providing flood coverage.

117 Section 6. Except as otherwise expressly provided in this  
118 act, this act shall take effect July 1, 2019.