

By Senator Trumbull

2-01148A-24

20241622__

1 A bill to be entitled
2 An act relating to insurance; amending s. 624.3161,
3 F.S.; revising the entities for which the Office of
4 Insurance Regulation is required to conduct market
5 conduct examinations; revising the purpose of the
6 examination; amending s. 624.424, F.S.; requiring
7 insurers and insurer groups to file a specified
8 supplemental report on a monthly basis; requiring that
9 such report include certain information for each zip
10 code for which policies are written; amending s.
11 624.4305, F.S.; authorizing the Financial Services
12 Commission to adopt rules related to notice of
13 nonrenewal of residential property insurance policies;
14 amending s. 624.46226, F.S.; revising the requirements
15 for public housing authority self-insurance funds;
16 amending s. 626.9201, F.S.; prohibiting insurers from
17 canceling or nonrenewing certain insurance policies
18 under certain circumstances; providing exceptions;
19 authorizing the commission to adopt rules and the
20 Commissioner of Insurance Regulation to issue orders;
21 providing construction; amending s. 627.062, F.S.;
22 specifying requirements for rate filings if certain
23 models are used; amending s. 627.351, F.S.; revising
24 requirements for certain policies that are not subject
25 to certain rate increase limitations; amending ss.
26 628.011 and 628.061, F.S.; conforming provisions to
27 changes made by the act; amending s. 628.801, F.S.;
28 revising requirements for rules adopted for insurers
29 that are members of an insurance holding company;

2-01148A-24

20241622__

30 deleting an obsolete date; authorizing the commission
31 to adopt rules; amending s. 629.011, F.S.; defining
32 terms; revising the definition of the term "reciprocal
33 insurance"; repealing s. 629.021, F.S., relating to
34 the definition of the term "reciprocal insurer";
35 repealing s. 629.031, F.S., relating to the scope of
36 ch. 629, F.S.; amending s. 629.051, F.S.; requiring a
37 domestic reciprocal insurer to have and use certain
38 names; requiring certain foreign or alien reciprocal
39 insurers to use a fictitious name; creating s.
40 629.056, F.S.; requiring a reciprocal insurer to
41 maintain a certain unearned premium reserves; defining
42 the term "net written premiums"; requiring certain
43 actions if the unearned premium reserves are less than
44 a certain amount; repealing s. 629.061, F.S., relating
45 to the term "attorney"; amending s. 629.071, F.S.;
46 revising the surplus funds required of a reciprocal
47 insurer; amending s. 629.081, F.S.; revising the
48 procedure for persons to organize as a domestic
49 reciprocal insurer; specifying requirements for the
50 permit application; requiring that the application be
51 accompanied by a specified fee; requiring the office
52 to evaluate and grant or deny the permit application
53 in accordance with specified provisions; amending s.
54 629.091, F.S.; providing requirements for the
55 application for a certificate of authority to operate
56 as a domestic reciprocal insurer; requiring that such
57 certificate of authority be issued in the name of the
58 reciprocal insurer to its attorney in fact; creating

2-01148A-24

20241622__

59 s. 629.094, F.S.; requiring a domestic reciprocal
60 insurer to meet certain requirements to maintain its
61 eligibility for a certificate of authority; amending
62 s. 629.101, F.S.; revising requirements for the power
63 of attorney given by subscribers of a domestic
64 reciprocal insurer to the attorney in fact; conforming
65 provisions to changes made by the act; amending s.
66 629.111, F.S.; requiring that modifications of the
67 terms of certain agreements, charters, and powers of
68 attorney be made jointly by the attorney in fact and
69 the subscribers' advisory committee; prohibiting such
70 modifications from taking effect until approval in
71 writing by the office; amending s. 629.121, F.S.;
72 conforming provisions to changes made by the act;
73 revising the amount of the bond the attorney in fact
74 of a reciprocal insurer must file with the office;
75 amending ss. 629.131 and 629.141, F.S.; conforming
76 provisions to changes made by the act; amending s.
77 629.161, F.S.; revising the requirements for a
78 reciprocal insurer that borrows money; providing
79 applicability; amending s. 629.171, F.S.; revising the
80 manner of making and filing the annual statement of a
81 reciprocal insurer; amending s. 629.191, F.S.;
82 conforming provisions to changes made by the act;
83 amending s. 629.201, F.S.; conforming provisions to
84 changes made by the act; creating s. 629.225, F.S.;
85 prohibiting persons from acquiring certain securities
86 or ownership interests of certain attorneys in fact
87 and controlling companies of certain attorneys in

2-01148A-24

20241622__

88 fact; providing an exception; authorizing certain
89 persons to request that the office waive certain
90 requirements; providing that the office may waive
91 certain requirements if specified determinations are
92 made; specifying the requirements of an application to
93 the office relating to certain acquisitions; requiring
94 that such application be accompanied by a specified
95 fee; requiring that amendments be filed with the
96 office under certain circumstances; specifying the
97 manner in which the acquisition application must be
98 reviewed; authorizing the office, and requiring the
99 office if a request for a proceeding is filed, to
100 conduct a proceeding within a specified timeframe to
101 consider the appropriateness of such application;
102 requiring that certain time periods be tolled;
103 requiring that written requests for a proceeding be
104 filed within a certain timeframe; authorizing certain
105 persons to take all steps to conclude the acquisition
106 during the pendency of the proceeding or review
107 period; requiring the office to order a proposed
108 acquisition disapproved and that actions to conclude
109 the acquisition be ceased under certain circumstances;
110 prohibiting certain persons from making certain
111 changes during the pendency of the office's review of
112 an acquisition; providing an exception; defining the
113 terms "material change in the operation of the
114 attorney in fact" and "material change in the
115 management of the attorney in fact"; requiring the
116 office to approve or disapprove certain changes upon

2-01148A-24

20241622__

117 making certain findings; requiring that a proceeding
118 be conducted within a certain timeframe; requiring
119 that recommended orders and final orders be issued
120 within a certain timeframe; specifying the
121 circumstances under which the office may disapprove an
122 acquisition; specifying that certain persons have the
123 burden of proof; requiring the office to approve an
124 acquisition upon certain findings; specifying that
125 certain votes are not valid and that certain
126 acquisitions are void; specifying that certain
127 provisions may be enforced by an injunction; creating
128 a private right of action in favor of the attorney in
129 fact or the controlling company to enforce certain
130 provisions; providing that a certain demand upon the
131 office is not required before certain legal actions;
132 providing that the office is not a necessary party to
133 certain actions; specifying the persons who are deemed
134 designated for service of process and who have
135 submitted to the administrative jurisdiction of the
136 office; providing that approval by the office does not
137 constitute a certain recommendation; providing that
138 certain actions are unlawful; providing criminal
139 penalties; providing a statute of limitations;
140 authorizing a person to rebut a presumption of control
141 by filing certain disclaimers; specifying the contents
142 of such disclaimer; specifying that, after a
143 disclaimer is filed, the attorney in fact is relieved
144 of a certain duty; authorizing the office to order
145 certain persons to cease acquisition of the attorney

2-01148A-24

20241622__

146 in fact or controlling company and divest themselves
147 of any stock or ownership interest under certain
148 circumstances; requiring the office to suspend or
149 revoke the reciprocal certificate of authority under
150 certain circumstances; specifying that the attorney in
151 fact is deemed to be hazardous to its policyholders if
152 the reciprocal insurer is subject to suspension or
153 revocation; authorizing the office to offer the
154 reciprocal insurer the ability to cure any suspension
155 or revocation under certain circumstances; providing
156 applicability; creating s. 629.227, F.S.; specifying
157 the information as to the background and identity of
158 certain persons which must be furnished by such
159 persons; amending s. 629.231, F.S.; authorizing the
160 levy of assessments upon subscribers of certain
161 assessable reciprocal insurers; requiring that
162 assessments be approved in advance by certain
163 entities; requiring the office to revoke the
164 authorization to convert upon impairment of a surplus
165 of a nonassessable reciprocal insurer; providing for
166 policies that remain in force after such revocation
167 and prohibiting reciprocal insurers from issuing new
168 policies that do not require contingent assessment
169 liability from new subscribers; amending ss. 629.241
170 and 629.251, F.S.; conforming provisions to changes
171 made by the act; repealing s. 629.261, F.S., relating
172 to nonassessable policies; amending ss. 629.271 and
173 629.281, F.S.; conforming provisions to changes made
174 by the act; amending s. 629.291, F.S.; providing that

2-01148A-24

20241622__

175 certain insurers that merge are governed by the
176 insurance code; prohibiting domestic stock insurers
177 from being converted to reciprocal insurers; requiring
178 that specified plans be filed with the office and that
179 such plans contain certain information; authorizing
180 the conversion of assessable reciprocal insurers to
181 nonassessable reciprocal insurers under certain
182 circumstances; providing certain procedures when
183 certain reciprocal insurers convert; prohibiting a
184 reciprocal insurer that becomes impaired from issuing
185 or converting certain policies; providing
186 applicability; amending s. 629.301, F.S.; conforming
187 provisions to changes made by the act; revising the
188 procedures that apply when an insurer becomes
189 insolvent; repealing s. 629.401, F.S., relating to
190 insurance exchanges; repealing s. 629.520, F.S.,
191 relating to the authority of limited reciprocal
192 insurers; creating s. 629.525, F.S.; requiring the
193 commission to adopt, amend, or repeal certain rules;
194 amending ss. 163.01, 624.413, 624.45, and 626.9531,
195 F.S.; conforming provisions to changes made by the
196 act; requiring compliance by reciprocal insurers and
197 attorneys in fact with increased surplus requirements
198 and bond requirements, respectively, imposed by the
199 act by a specified date; providing an effective date.

200

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

202

203 Section 1. Subsection (1) of section 624.3161, Florida

2-01148A-24

20241622__

204 Statutes, is amended to read:

205 624.3161 Market conduct examinations.-

206 (1) ~~As often as it deems necessary,~~ The office shall, as
207 often as it deems necessary, examine each licensed rating
208 organization, each advisory organization, each group,
209 association, carrier, as defined in s. 440.02, or other
210 organization of insurers which engages in joint underwriting or
211 joint reinsurance, the attorney in fact of each reciprocal
212 insurer, and each authorized insurer transacting in this state
213 any class of insurance to which ~~the provisions of~~ chapter 627 is
214 are applicable. The examination must ~~shall~~ be for the purpose of
215 ascertaining compliance by the person examined with the
216 applicable provisions of chapters 440, 624, 626, 627, 629, and
217 635.

218 Section 2. Paragraph (a) of subsection (10) of section
219 624.424, Florida Statutes, is amended to read:

220 624.424 Annual statement and other information.-

221 (10) (a) Each insurer or insurer group doing business in
222 this state shall file, on a monthly ~~quarterly~~ basis in
223 conjunction with financial reports required by paragraph (1) (a),
224 a supplemental report on an individual and group basis on a form
225 prescribed by the commission with information on personal lines
226 and commercial lines residential property insurance policies in
227 this state. The supplemental report must ~~shall~~ include separate
228 information for personal lines property policies and for
229 commercial lines property policies and totals for each item
230 specified, including premiums written for each of the property
231 lines of business as described in ss. 215.555(2) (c) and
232 627.351(6) (a). The report must ~~shall~~ include the following

2-01148A-24

20241622__

233 information for each zip code for which policies are written
234 ~~county on a monthly basis~~:

- 235 1. Total number of policies in force at the end of each
236 month.
- 237 2. Total number of policies canceled.
- 238 3. Total number of policies nonrenewed.
- 239 4. Number of policies canceled due to hurricane risk.
- 240 5. Number of policies nonrenewed due to hurricane risk.
- 241 6. Number of new policies written.
- 242 7. Total dollar value of structure exposure under policies
243 that include wind coverage.
- 244 8. Number of policies that exclude wind coverage.
- 245 9. Number of claims open each month.
- 246 10. Number of claims closed each month.
- 247 11. Number of claims pending each month.
- 248 12. Number of claims in which either the insurer or insured
249 invoked any form of alternative dispute resolution, and
250 specifying which form of alternative dispute resolution was
251 used.

252 Section 3. Section 624.4305, Florida Statutes, is amended
253 to read:

254 624.4305 Nonrenewal of residential property insurance
255 policies.—Any insurer planning to nonrenew more than 10,000
256 residential property insurance policies in this state within a
257 12-month period shall give notice in writing to the Office of
258 Insurance Regulation for informational purposes 90 days before
259 the issuance of any notices of nonrenewal. The notice provided
260 to the office must set forth the insurer's reasons for such
261 action, the effective dates of nonrenewal, and any arrangements

2-01148A-24

20241622__

262 made for other insurers to offer coverage to affected
263 policyholders. The commission may adopt rules to administer this
264 section.

265 Section 4. Paragraph (d) of subsection (1) of section
266 624.46226, Florida Statutes, is amended to read:

267 624.46226 Public housing authorities self-insurance funds;
268 exemption for taxation and assessments.—

269 (1) Notwithstanding any other provision of law, any two or
270 more public housing authorities in the state as defined in
271 chapter 421 may form a self-insurance fund for the purpose of
272 pooling and spreading liabilities of its members as to any one
273 or combination of casualty risk or real or personal property
274 risk of every kind and every interest in such property against
275 loss or damage from any hazard or cause and against any loss
276 consequential to such loss or damage, provided the self-
277 insurance fund that is created:

278 (d) Maintains a continuing program of excess insurance
279 coverage and reinsurance ~~reserve evaluation~~ to protect the
280 financial stability of the fund ~~in an amount and manner~~
281 ~~determined by a qualified and independent actuary.~~ The program
282 must, at a minimum, this program must:

283 1. Include a net retention in an amount and manner selected
284 by the administrator, ratified by the governing body, and
285 certified by a qualified actuary;

286 2. Include reinsurance or ~~Purchase~~ excess insurance from
287 authorized insurance carriers or eligible surplus lines
288 insurers; ~~and-~~

289 3. Be certified by a qualified and independent actuary as
290 to the program's adequacy. This certification must be submitted

2-01148A-24

20241622__

291 simultaneously with the certifications required under paragraphs
292 (b) and (c).

293 ~~2. Retain a per-loss occurrence that does not exceed~~
294 ~~\$350,000.~~

295
296 A for-profit or not-for-profit corporation, limited liability
297 company, or other similar business entity in which a public
298 housing authority holds an ownership interest or participates in
299 its governance under s. 421.08(8) may join a self-insurance fund
300 formed under this section in which such public housing authority
301 participates. Such for-profit or not-for-profit corporation,
302 limited liability company, or other similar business entity may
303 join the self-insurance fund solely to insure risks related to
304 public housing.

305 Section 5. Subsection (2) of section 626.9201, Florida
306 Statutes, is amended to read:

307 626.9201 Notice of cancellation or nonrenewal.—

308 (2) An insurer issuing a policy providing coverage for
309 property, casualty, surety, or marine insurance must give the
310 named insured written notice of cancellation or termination
311 other than nonrenewal at least 45 days before the effective date
312 of the cancellation or termination, including in the written
313 notice the reasons for the cancellation or termination, except
314 that:

315 (a) If cancellation is for nonpayment of premium, at least
316 10 days' written notice of cancellation accompanied by the
317 reason for cancellation must be given. As used in this
318 paragraph, the term "nonpayment of premium" means the failure of
319 the named insured to discharge when due any of his or her

2-01148A-24

20241622__

320 obligations in connection with the payment of premiums on a
321 policy or an installment of such a premium, whether the premium
322 or installment is payable directly to the insurer or its agent
323 or indirectly under any plan for financing premiums or extension
324 of credit or the failure of the named insured to maintain
325 membership in an organization if such membership is a condition
326 precedent to insurance coverage. The term also includes the
327 failure of a financial institution to honor the check of an
328 applicant for insurance which was delivered to a licensed agent
329 for payment of a premium, even if the agent previously delivered
330 or transferred the premium to the insurer. If a correctly
331 dishonored check represents payment of the initial premium, the
332 contract and all contractual obligations are void ab initio
333 unless the nonpayment is cured within the earlier of 5 days
334 after actual notice by certified mail is received by the
335 applicant or 15 days after notice is sent to the applicant by
336 certified mail or registered mail, and, if the contract is void,
337 any premium received by the insurer from a third party must
338 ~~shall~~ be refunded to that party in full; ~~and~~

339 (b) If cancellation or termination occurs during the first
340 90 days during which the insurance is in force and if the
341 insurance is canceled or terminated for reasons other than
342 nonpayment, at least 20 days' written notice of cancellation or
343 termination accompanied by the reason for cancellation or
344 termination must be given, except if there has been a material
345 misstatement or misrepresentation or failure to comply with the
346 underwriting requirements established by the insurer; and-

347 (c)1. Upon a declaration of an emergency pursuant to s.
348 252.36 and the filing of an order by the Commissioner of

2-01148A-24

20241622__

349 Insurance Regulation, an insurer may not cancel or nonrenew a
350 personal residential or commercial residential property
351 insurance policy covering a dwelling or residential property
352 located in this state which has been damaged as a result of a
353 hurricane that is the subject of the declaration of emergency
354 for a period of 90 days after the dwelling or residential
355 property has been repaired. A dwelling or residential property
356 is deemed to be repaired when substantially completed and
357 restored to the extent that the dwelling or residential property
358 is insurable by another insurer that is writing policies in this
359 state.

360 2. An insurer or agent may cancel or nonrenew such a policy
361 before the repair of the dwelling or residential property:

362 a. Upon 10 days' notice for nonpayment of premium; or

363 b. Upon 45 days' notice:

364 (I) For a material misstatement or fraud related to the
365 claim;

366 (II) If the insurer determines that the insured has
367 unreasonably caused a delay in the repair of the dwelling or
368 residential property; or

369 (III) If the insurer has paid policy limits.

370 3. If the insurer elects to nonrenew a policy covering a
371 dwelling or residential property that has been damaged, the
372 insurer must provide at least 90 days' notice to the insured
373 that the insurer intends to nonrenew the policy 90 days after
374 the dwelling or residential property has been repaired.

375 4. This paragraph does not prevent the insurer from
376 canceling or nonrenewing the policy 90 days after the repairs
377 are complete for the same reasons the insurer would otherwise

2-01148A-24

20241622__

378 have canceled or nonrenewed the policy but for the limitation
379 imposed in subparagraph 1.

380 5. The commission may adopt rules, and the Commissioner of
381 Insurance Regulation may issue orders, necessary to implement
382 this paragraph.

383 Section 6. Paragraph (j) of subsection (2) of section
384 627.062, Florida Statutes, is amended to read:

385 627.062 Rate standards.—

386 (2) As to all such classes of insurance:

387 (j) With respect to residential property insurance rate
388 filings, the rate filing:

389 1. Must account for mitigation measures undertaken by
390 policyholders to reduce hurricane losses and windstorm losses.

391 2. May use a modeling indication that is the weighted or
392 straight average of two or more hurricane loss projection models
393 found by the Florida Commission on Hurricane Loss Projection
394 Methodology to be accurate or reliable pursuant to s. 627.0628.
395 If an averaged model is used under this subparagraph, the same
396 averaged model must be used throughout this state. If a weighted
397 average is used, the insurer must provide the office with a
398 justification for using the weighted average which shows that it
399 results in a rate that is reasonable, adequate, and fair.

400
401 The provisions of this subsection do not apply to workers'
402 compensation, employer's liability insurance, and motor vehicle
403 insurance.

404 Section 7. Paragraph (n) of subsection (6) of section
405 627.351, Florida Statutes, is amended to read:

406 627.351 Insurance risk apportionment plans.—

2-01148A-24

20241622__

407 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

408 (n)1. Rates for coverage provided by the corporation must
409 be actuarially sound pursuant to s. 627.062 and not competitive
410 with approved rates charged in the admitted voluntary market so
411 that the corporation functions as a residual market mechanism to
412 provide insurance only when insurance cannot be procured in the
413 voluntary market, except as otherwise provided in this
414 paragraph. The office shall provide the corporation such
415 information as would be necessary to determine whether rates are
416 competitive. The corporation shall file its recommended rates
417 with the office at least annually. The corporation shall provide
418 any additional information regarding the rates which the office
419 requires. The office shall consider the recommendations of the
420 board and issue a final order establishing the rates for the
421 corporation within 45 days after the recommended rates are
422 filed. The corporation may not pursue an administrative
423 challenge or judicial review of the final order of the office.

424 2. In addition to the rates otherwise determined pursuant
425 to this paragraph, the corporation shall impose and collect an
426 amount equal to the premium tax provided in s. 624.509 to
427 augment the financial resources of the corporation.

428 3. After the public hurricane loss-projection model under
429 s. 627.06281 has been found to be accurate and reliable by the
430 Florida Commission on Hurricane Loss Projection Methodology, the
431 model shall be considered when establishing the windstorm
432 portion of the corporation's rates. The corporation may use the
433 public model results in combination with the results of private
434 models to calculate rates for the windstorm portion of the
435 corporation's rates. This subparagraph does not require or allow

2-01148A-24

20241622__

436 the corporation to adopt rates lower than the rates otherwise
437 required or allowed by this paragraph.

438 4. The corporation must make a recommended actuarially
439 sound rate filing for each personal and commercial line of
440 business it writes.

441 5. Notwithstanding the board's recommended rates and the
442 office's final order regarding the corporation's filed rates
443 under subparagraph 1., the corporation shall annually implement
444 a rate increase which, except for sinkhole coverage, does not
445 exceed the following for any single policy issued by the
446 corporation, excluding coverage changes and surcharges:

447 a. Twelve percent for 2023.

448 b. Thirteen percent for 2024.

449 c. Fourteen percent for 2025.

450 d. Fifteen percent for 2026 and all subsequent years.

451 6. The corporation may also implement an increase to
452 reflect the effect on the corporation of the cash buildup factor
453 pursuant to s. 215.555(5)(b).

454 7. The corporation's implementation of rates as prescribed
455 in subparagraphs 5. and 8. shall cease for any line of business
456 written by the corporation upon the corporation's implementation
457 of actuarially sound rates. Thereafter, the corporation shall
458 annually make a recommended actuarially sound rate filing that
459 is not competitive with approved rates in the admitted voluntary
460 market for each commercial and personal line of business the
461 corporation writes.

462 8. ~~The following~~ New or renewal personal lines policies
463 that do not cover a primary residence ~~written on or after~~
464 ~~November 1, 2023,~~ are not subject to the rate increase

2-01148A-24

20241622__

465 limitations in subparagraph 5., but may not be charged more than
466 50 percent above, nor less than, the prior year's established
467 rate for the corporation:

468 ~~a. Policies that do not cover a primary residence;~~

469 ~~b. New policies under which the coverage for the insured~~
470 ~~risk, before the date of application with the corporation, was~~
471 ~~last provided by an insurer determined by the office to be~~
472 ~~unsound or an insurer placed in receivership under chapter 631;~~
473 ~~or~~

474 ~~c. Subsequent renewals of those policies, including the new~~
475 ~~policies in sub-subparagraph b., under which the coverage for~~
476 ~~the insured risk, before the date of application with the~~
477 ~~corporation, was last provided by an insurer determined by the~~
478 ~~office to be unsound or an insurer placed in receivership under~~
479 ~~chapter 631.~~

480 9. As used in this paragraph, the term "primary residence"
481 means the dwelling that is the policyholder's primary home or is
482 a rental property that is the primary home of the tenant, and
483 which the policyholder or tenant occupies for more than 9 months
484 of each year.

485 Section 8. Section 628.011, Florida Statutes, is amended to
486 read:

487 628.011 Scope of part.—This part applies only to domestic
488 ~~stock~~ insurers, mutual insurers, and captive insurers, except
489 that s. 628.341(2) applies also as to foreign and alien
490 insurers.

491 Section 9. Section 628.061, Florida Statutes, is amended to
492 read:

493 628.061 Investigation of proposed organization.—In

2-01148A-24

20241622__

494 connection with any proposal to organize ~~incorporate~~ a domestic
495 insurer, the office shall make an investigation of:

496 (1) The character, reputation, financial standing, and
497 motives of the organizers, incorporators, and subscribers
498 organizing the proposed insurer.

499 (2) The character, financial responsibility, insurance
500 experience, and business qualifications of its proposed
501 officers.

502 (3) The character, financial responsibility, business
503 experience, and standing of the proposed stockholders and
504 directors.

505 Section 10. Subsections (1), (2), and (5) of section
506 628.801, Florida Statutes, are amended to read:

507 628.801 Insurance holding companies; registration;
508 regulation.—

509 (1) An insurer that is authorized to do business in this
510 state and that is a member of an insurance holding company
511 shall, on or before April 1 of each year, register with the
512 office and file a registration statement and be subject to
513 regulation with respect to its relationship to the holding
514 company as provided by law or rule. The commission shall adopt
515 rules establishing the information and statement form required
516 for registration and the manner in which registered insurers and
517 their affiliates are regulated. The rules apply to domestic
518 insurers, foreign insurers, and commercially domiciled insurers,
519 except for foreign insurers domiciled in states that are
520 currently accredited by the NAIC. Except to the extent of any
521 conflict with this code, the rules must include all requirements
522 and standards of the Insurance Holding Company System Model

2-01148A-24

20241622__

523 Regulation and ss. 4 and 5 of the Insurance Holding Company
524 System Regulatory Act ~~and the Insurance Holding Company System~~
525 ~~Model Regulation~~ of the NAIC, as adopted in December 2020 ~~2010~~.
526 The commission may adopt subsequent amendments thereto if the
527 methodology remains substantially consistent. The rules may
528 include a prohibition on oral contracts between affiliated
529 entities. Material transactions between an insurer and its
530 affiliates must ~~shall~~ be filed with the office as provided by
531 rule.

532 (2) ~~Effective January 1, 2015,~~ The ultimate controlling
533 person of every insurer subject to registration shall also file
534 an annual enterprise risk report on or before April 1. As used
535 in this subsection, the term "ultimate controlling person" means
536 a person who is not controlled by any other person. The report
537 must, to the best of the ultimate controlling person's knowledge
538 and belief, ~~must~~ identify the material risks within the
539 insurance holding company system that could pose enterprise risk
540 to the insurer. The report must ~~shall~~ be filed with the lead
541 state office of the insurance holding company system as
542 determined by the procedures within the Financial Analysis
543 Handbook adopted by the NAIC and is confidential and exempt from
544 public disclosure as provided in s. 624.4212.

545 (a) An insurer may satisfy this requirement by providing
546 the office with the most recently filed parent corporation
547 reports that have been filed with the Securities and Exchange
548 Commission which provide the appropriate enterprise risk
549 information.

550 (b) The term "enterprise risk" means an activity, a
551 circumstance, an event, or a series of events involving one or

2-01148A-24

20241622__

552 more affiliates of an insurer which, if not remedied promptly,
553 are likely to have a materially adverse effect upon the
554 financial condition or liquidity of the insurer or its insurance
555 holding company system as a whole, including anything that would
556 cause the insurer's risk-based capital to fall into company
557 action level as set forth in s. 624.4085 or would cause the
558 insurer to be in a hazardous financial condition.

559 (c) The commission may adopt rules for filing the annual
560 enterprise risk report in accordance with the Insurance Holding
561 Company System Regulatory Act and the Insurance Holding Company
562 System Model Regulation of the NAIC, as adopted in December
563 2020.

564 (5) ~~Effective January 1, 2015,~~ The failure to file a
565 registration statement, or a summary of the registration
566 statement, or the enterprise risk filing report required by this
567 section within the time specified for filing is a violation of
568 this section.

569 Section 11. Section 629.011, Florida Statutes, is amended
570 to read:

571 629.011 Definitions ~~"Reciprocal insurance" defined.~~ As used
572 in this part, the term:

573 (1) "Affiliated person" of another person means any of the
574 following:

575 (a) The spouse of the other person.

576 (b) The parents of the other person and their lineal
577 descendants, or the parents of the other person's spouse and
578 their lineal descendants.

579 (c) A person who directly or indirectly owns or controls,
580 or holds with the power to vote, 10 percent or more of the

2-01148A-24

20241622__

581 outstanding voting securities of the other person.

582 (d) A person who directly or indirectly owns 10 percent or
583 more of the outstanding voting securities that are directly or
584 indirectly owned or controlled, or held with the power to vote,
585 by the other person.

586 (e) A person or group of persons who directly or indirectly
587 control, are controlled by, or are under common control with the
588 other person.

589 (f) A person who is a director, an officer, a trustee, a
590 partner, an owner, a manager, a joint venturer, or an employee,
591 or another person who is performing duties similar to those of a
592 person in one of the aforementioned positions.

593 (g) If the other person is an investment company, any
594 investment adviser of such company or any member of an advisory
595 board of such company.

596 (h) If the other person is an unincorporated investment
597 company not having a board of directors, the depositor of such
598 company.

599 (i) A person who has entered into an agreement, written or
600 unwritten, to act in concert with the other person in acquiring
601 or limiting the disposition of:

602 1. Securities of an attorney in fact or controlling company
603 that is a stock corporation; or

604 2. An ownership interest of an attorney in fact or
605 controlling company that is not a stock corporation.

606 (2) "Attorney in fact" means the attorney in fact of a
607 reciprocal insurer. The attorney in fact may be an individual, a
608 corporation, or another person.

609 (3) "Controlling company" means any person, corporation,

2-01148A-24

20241622__

610 trust, limited liability company, association, or other entity
 611 owning, directly or indirectly, 10 percent or more of the voting
 612 securities of one or more attorneys in fact that are stock
 613 corporations, or 10 percent or more of the ownership interest of
 614 one or more attorneys in fact that are not stock corporations.

615 (4) "Reciprocal insurance" means ~~is that resulting from~~ an
 616 interexchange among persons, known as "subscribers," of
 617 reciprocal agreements of indemnity, the interexchange being
 618 effectuated through an "attorney in fact" common to all such
 619 persons.

620 (5) "Reciprocal insurer" means an insurer that is an
 621 unincorporated aggregation of subscribers domiciled in this
 622 state operating individually and collectively through an
 623 attorney in fact to provide reciprocal insurance to such
 624 subscribers. A domestic reciprocal insurer must be licensed as
 625 an assessable or a nonassessable reciprocal insurer.

626 (a) An assessable reciprocal insurer may require that its
 627 subscribers make up any shortfall in capital and surplus to
 628 cover claims and expenses, either jointly or severally.

629 (b) A nonassessable reciprocal insurer has no recourse
 630 against subscribers for any shortfall in capital and surplus to
 631 cover claims and expenses.

632 Section 12. Section 629.021, Florida Statutes, is repealed.

633 Section 13. Section 629.031, Florida Statutes, is repealed.

634 Section 14. Section 629.051, Florida Statutes, is amended
 635 to read:

636 629.051 Name; suits. ~~A reciprocal insurer shall:~~

637 (1) A domestic reciprocal insurer shall have and use a
 638 ~~business name that must.~~ The name shall include the word

2-01148A-24

20241622__

639 "reciprocal," ~~or~~ "interinsurer," ~~or~~ "interinsurance," ~~or~~
640 "exchange," ~~or~~ "underwriters," or "underwriting," ~~but this~~
641 ~~requirement shall not apply as to any insurer holding a~~
642 ~~certificate of authority to transact insurance in this state~~
643 ~~immediately prior to the effective date of this code.~~

644 (2) A foreign or alien reciprocal insurer transacting
645 business in this state, whose name does not include the word
646 "reciprocal," "interinsurer," "interinsurance," "exchange,"
647 "underwriters," or "underwriting," shall use a fictitious name,
648 registered in accordance with s. 865.09, which includes one of
649 those words when transacting business in this state.

650 (3) A reciprocal insurer may sue and be sued in its own
651 name.

652 Section 15. Section 629.056, Florida Statutes, is created
653 to read:

654 629.056 Premium reserves.—A reciprocal insurer shall at all
655 times maintain unearned premium reserves equal to 50 percent of
656 the net written premiums of the subscribers on policies having 1
657 year or less to run, and pro rata on policies running for longer
658 periods, except that all premiums on any marine or
659 transportation insurance trip risk are deemed unearned until the
660 trip is terminated. For the purpose of this section, the term
661 "net written premiums" means the premium payments made by
662 subscribers plus the premiums due from subscribers, after
663 deducting the amounts specifically provided in the subscribers'
664 agreements for expenses, including reinsurance costs and fees
665 paid to the attorney in fact, provided that the power of
666 attorney agreement contains an explicit provision requiring the
667 attorney in fact to refund any unearned subscriber fees on a pro

2-01148A-24

20241622__

668 rata basis for canceled policies. In the absence of such a
669 provision, the unearned premium reserves must be calculated
670 without any adjustment for fees paid to the attorney in fact. If
671 the unearned premium reserves at any time are less than
672 \$300,000, additional funds in cash or eligible securities must
673 be maintained on deposit at the exchange at all times which,
674 together with the unearned premium reserves, equal \$300,000. In
675 calculating these reserves, the amount of the attorney in fact's
676 bond, as filed with the office and as required by s. 629.121,
677 must be included in such reserves. If at any time the unearned
678 premium reserves are less than those required, the subscribers,
679 or the attorney in fact, must advance funds to cover the
680 deficiency. Such advances may only be repaid out of the surplus
681 of the exchange and only after receiving written approval from
682 the office.

683 Section 16. Section 629.061, Florida Statutes, is repealed.

684 Section 17. Section 629.071, Florida Statutes, is amended
685 to read:

686 629.071 Surplus funds required.—The surplus required of a
687 reciprocal insurer is as required in s. 624.407 as to the kind
688 of insurance proposed to be transacted.

689 ~~(1) A domestic reciprocal insurer hereunder formed, if it~~
690 ~~has otherwise complied with the applicable provisions of this~~
691 ~~code, may be authorized to transact insurance if it has and~~
692 ~~thereafter maintains surplus funds of not less than \$250,000.~~

693 ~~(2) In addition to the surplus required to be maintained~~
694 ~~under subsection (1), the insurer shall have, when first so~~
695 ~~authorized, an expendable surplus of not less than \$750,000.~~

696 Section 18. Section 629.081, Florida Statutes, is amended

2-01148A-24

20241622__

697 to read:

698 629.081 Organization of reciprocal insurer.-

699 (1) Twenty-five or more persons domiciled in this state who
700 wish to organize as a domestic reciprocal insurer may make
701 application to the office for a permit to do so. A domestic
702 reciprocal insurer may not be formed unless the persons so
703 proposing have first received a permit from the office ~~may~~
704 ~~organize a domestic reciprocal insurer and make application to~~
705 ~~the office for a certificate of authority to transact insurance.~~

706 (2) The permit application, to be filed by the organizers
707 or the proposed attorney in fact, must be in writing and made in
708 accordance with forms prescribed by the commission. In addition
709 to any applicable requirements of s. 628.051 or other relevant
710 statutes, the application must include all of the following
711 ~~shall fulfill the requirements of and shall execute and file~~
712 ~~with the office, when applying for a certificate of authority, a~~
713 ~~declaration setting forth:~~

714 (a) The name of the proposed reciprocal insurer, which must
715 be in accordance with s. 629.051.~~†~~

716 (b) The location of the insurer's principal office, which
717 must ~~shall~~ be the same as that of the proposed attorney in fact
718 and must ~~shall~~ be maintained within this state.~~†~~

719 (c) The kinds of insurance proposed to be transacted.~~†~~

720 (d) The names and addresses of the original 25 or more
721 subscribers.~~†~~

722 (e) The proposed designation and appointment of the
723 proposed attorney in fact and a copy of the power of attorney.~~†~~

724 (f) The names and addresses of the officers and directors
725 of the proposed attorney in fact, if a corporation, or of its

2-01148A-24

20241622__

726 members, if other than a corporation.~~‡~~

727 (g) The background information as specified in s. 629.227
728 for all officers, directors, managers, and those in equivalent
729 positions of the proposed attorney in fact as well as for any
730 person with an ownership interest of 10 percent or more in the
731 proposed attorney in fact.

732 (h) The articles of incorporation and bylaws, or equivalent
733 documents, of the proposed attorney in fact, dated within the
734 last year and appropriately certified.

735 (i) The proposed charter powers of the subscribers'
736 advisory committee, and the names and terms of office of the
737 members thereof, as well as the background information as
738 specified in s. 629.227 for each proposed member.‡

739 ~~(h) That all moneys paid to the reciprocal shall, after~~
740 ~~deducting therefrom any sum payable to the attorney, be held in~~
741 ~~the name of the insurer and for the purposes specified in the~~
742 ~~subscribers' agreement;~~

743 (j)-(i) A copy of the proposed subscribers' agreement.‡

744 ~~(j) A statement that each of the original subscribers has~~
745 ~~in good faith applied for insurance of a kind proposed to be~~
746 ~~transacted, and that the insurer has received from each such~~
747 ~~subscriber the full premium or premium deposit required for the~~
748 ~~policy applied for, for a term of not less than 6 months at an~~
749 ~~adequate rate theretofore filed with and approved by the office;~~

750 ~~(k) A statement of the financial condition of the insurer,~~
751 ~~a schedule of its assets, and a statement that the surplus as~~
752 ~~required by s. 629.071 is on hand; and~~

753 ~~(l) A copy of each policy, endorsement, and application~~
754 ~~form it then proposes to issue or use.~~

2-01148A-24

20241622__

755 (m) A copy of the bond required under s. 629.121.

756 (3) The filing must be accompanied by the application fee
757 required by s. 624.501(1) (a) and such other pertinent
758 information and documents as reasonably requested by the office.

759 (4) The office shall evaluate and grant or deny the permit
760 application in accordance with ss. 628.061, 628.071, and other
761 relevant provisions of the code.

762
763 ~~Such declaration shall be acknowledged by the attorney before an~~
764 ~~officer authorized to take acknowledgments.~~

765 Section 19. Section 629.091, Florida Statutes, is amended
766 to read:

767 629.091 Reciprocal certificate of authority.—

768 (1) To apply for a certificate of authority as a domestic
769 reciprocal insurer, the attorney in fact of an applicant who has
770 previously received a permit from the office may file an
771 application in accordance with forms prescribed by the
772 commission which, in addition to applicable requirements of ss.
773 624.404, 624.411, 624.413, and other relevant statutes, consists
774 of all of the following:

775 (a) Executed copies of any proposed or draft documents
776 required as part of the permit application.

777 (b) A statement affirming that all moneys paid to the
778 reciprocal shall, after deducting therefrom any sum payable to
779 the attorney in fact, be held in the name of the insurer and for
780 the purposes specified in the subscribers' agreement.

781 (c) A statement that each of the original subscribers has
782 in good faith applied for insurance of a kind proposed to be
783 transacted, and that the insurer has received from each such

2-01148A-24

20241622__

784 subscriber the full premium or premium deposit required for the
 785 policy applied for, for a term of not less than 6 months at the
 786 rate that was filed with and approved by the office.

787 (d) A copy of the bond required under s. 629.121.

788 (e) A statement of the financial condition of the insurer,
 789 a schedule of its assets, and a statement that the surplus as
 790 required by s. 629.071 is on hand.

791 (f) Such other pertinent information or documents as
 792 reasonably requested by the office.

793 (2) The reciprocal certificate of authority must of a
 794 reciprocal insurer shall be issued to its attorney in the name
 795 of the reciprocal insurer to its attorney in fact.

796 Section 20. Section 629.094, Florida Statutes, is created
 797 to read:

798 629.094 Continued eligibility for certificate of
 799 authority.-In order to maintain its eligibility for a
 800 certificate of authority, a domestic reciprocal insurer must
 801 continue to meet all conditions required to be met under this
 802 code and the rules adopted thereunder for the initial
 803 applications for a permit and certificate of authority.

804 Section 21. Section 629.101, Florida Statutes, is amended
 805 to read:

806 629.101 Power of attorney.-

807 (1) The rights and powers of the attorney in fact of a
 808 domestic reciprocal insurer are shall be as provided in the
 809 power of attorney given it by the subscribers.

810 (2) The power of attorney must set forth all of the
 811 following:

812 (a) The powers of the attorney in fact.†

2-01148A-24

20241622__

813 (b) That the attorney in fact is empowered to accept
814 service of process on behalf of the insurer in actions against
815 the insurer upon contracts exchanged.†

816 (c) The place where the office of the attorney in fact is
817 maintained.

818 (d) The general services to be performed by the attorney in
819 fact.†

820 (e) ~~(d)~~ The maximum amount to be deducted from advance
821 premiums or deposits to be paid to the attorney in fact and the
822 general items of expense in addition to losses, to be paid by
823 the insurer.† ~~and~~

824 (f) ~~(e)~~ Except as to nonassessable policies, a provision for
825 a contingent several liability of each subscriber in a specified
826 amount, which amount may ~~shall be~~ not be less than 5 times nor
827 more than 10 times the premium or premium deposit stated in the
828 policy.

829 ~~(3) The power of attorney may:~~

830 (g) ~~(a) Provide for~~ The right of substitution of the
831 attorney in fact and revocation of the power of attorney and
832 rights thereunder.†

833 (h) ~~(b) Impose such~~ Restrictions upon the exercise of the
834 power as are agreed upon by the subscribers.†

835 (i) ~~(c) Provide for~~ The exercise of any right reserved to
836 the subscribers directly or through their advisory committee.†
837 and

838 (3) ~~(d)~~ The power of attorney may contain other lawful
839 provisions deemed advisable.

840 (4) The terms of any power of attorney or agreement
841 collateral thereto must ~~shall~~ be reasonable and equitable, and

2-01148A-24

20241622__

842 no such power or agreement may ~~shall~~ be used or be effective in
843 this state unless filed with the office.

844 Section 22. Section 629.111, Florida Statutes, is amended
845 to read:

846 629.111 Modifications.—Modifications of the terms of the
847 subscribers' agreement, charter of the subscribers' advisory
848 committee, or of the power of attorney of a ~~domestic~~ reciprocal
849 insurer must ~~shall~~ be made jointly by the attorney in fact and
850 the subscribers' advisory committee. No such modification may
851 ~~shall~~ be effective retroactively, nor as to any insurance
852 contract issued prior thereto. A modification may not take
853 effect until filed with, and approved in writing by, the office.

854 Section 23. Section 629.121, Florida Statutes, is amended
855 to read:

856 629.121 Attorney in fact's ~~Attorney's~~ bond.—

857 (1) Concurrently with the filing of the permit application
858 ~~declaration~~ provided for in s. 629.081, the attorney in fact of
859 a domestic reciprocal insurer shall file with the office a bond
860 in favor of this state for the benefit of all persons damaged as
861 a result of breach by the attorney in fact of the conditions of
862 its ~~his or her~~ bond as set forth in subsection (2). The bond
863 must ~~shall~~ be executed by the attorney in fact and by an
864 authorized corporate surety and is ~~shall be~~ subject to the
865 approval of the office.

866 (2) The bond must ~~shall~~ be in the sum of \$300,000 ~~\$100,000~~,
867 aggregate in form, the bond conditioned that the attorney in
868 fact will faithfully account for all moneys and other property
869 of the insurer coming into its ~~his or her~~ hands, and that it ~~he~~
870 ~~or she~~ will not withdraw or appropriate to its ~~his or her~~ own

2-01148A-24

20241622__

871 use from the funds of the insurer any moneys or property to
872 which it ~~he or she~~ is not entitled under the power of attorney.

873 (3) The bond must ~~shall~~ provide that it is not subject to
874 cancellation unless 30 days' advance notice in writing of
875 cancellation is given both the attorney in fact and the office.

876 Section 24. Section 629.131, Florida Statutes, is amended
877 to read:

878 629.131 Deposit in lieu of bond.—In lieu of the bond
879 required under s. 629.121, the attorney in fact may maintain on
880 deposit with the department a like amount in value of securities
881 qualified for deposit under s. 625.52 and subject to the same
882 conditions as the bond.

883 Section 25. Section 629.141, Florida Statutes, is amended
884 to read:

885 629.141 Action on bond.—Action on the attorney in fact's
886 ~~attorney's~~ bond or to recover against any such deposit made in
887 lieu thereof may be brought at any time by one or more
888 subscribers suffering loss through a violation of its conditions
889 or by a receiver or liquidator of the insurer. Amounts recovered
890 on the bond shall be deposited in and become part of the
891 insurer's funds. The total aggregate liability of the surety
892 shall be limited to the amount of the penalty of such bond.

893 Section 26. Section 629.161, Florida Statutes, is amended
894 to read:

895 629.161 Contributions to insurer.—

896 (1) A reciprocal insurer may borrow money to defray the
897 expenses of its organization, to provide itself with surplus
898 funds, or for any purpose of its business, upon a written
899 agreement that such money is required to be repaid only out of

2-01148A-24

20241622__

900 the insurer's surplus in excess of that stipulated in such
901 agreement. Any interest stipulated in such agreement may not
902 constitute a liability of the insurer as to its funds other than
903 such excess of surplus. Commission or promotion expense may not
904 be paid in connection with any such loan.

905 (2) Money so borrowed, together with the interest thereon
906 if so stipulated in the agreement, may not form a part of the
907 insurer's legal liabilities, except as to its surplus in excess
908 of the amount stipulated in the agreement, or be the basis of
909 any setoff; but until repaid, financial statements filed or
910 published by the insurer must show as a footnote to such
911 statement the amount of the unpaid loan together with any
912 interest accrued but unpaid.

913 (3) Any such loan to a reciprocal insurer is subject to the
914 approval of the office for the issue and the rate of interest to
915 be paid. The reciprocal insurer shall, in advance of the loan,
916 file with the office a statement of the purpose of the loan and
917 a copy of the proposed loan agreement. The office shall
918 disapprove any proposed loan or agreement if it finds that the
919 loan is unnecessary or excessive for the purpose intended; that
920 the terms of the loan agreement are not fair and equitable to
921 the parties and to other similar lenders, if any, to the
922 reciprocal insurer; or that the information so filed by the
923 reciprocal insurer is inadequate.

924 (4) Any such loan to a reciprocal insurer, or a substantial
925 portion of such loan, must be repaid by the reciprocal insurer
926 when no longer reasonably necessary for the purpose originally
927 intended. A reciprocal insurer may not repay such loan or any
928 interest on such loan unless repayment is approved in advance by

2-01148A-24

20241622__

929 the office.

930 (5) This section does not apply to loans obtained by the
931 reciprocal insurer in the ordinary course of business from banks
932 and other financial institutions, or to loans secured by pledge
933 or mortgage of assets ~~The attorney or other parties may advance~~
934 ~~to a domestic reciprocal insurer upon reasonable terms such~~
935 ~~funds as it may require from time to time in its operations.~~
936 ~~Sums so advanced shall not be treated as a liability of the~~
937 ~~insurer and, except upon liquidation of the insurer, shall not~~
938 ~~be withdrawn or repaid except out of the insurer's realized~~
939 ~~earned surplus in excess of its minimum required surplus. No~~
940 ~~such withdrawal or repayment shall be made without the advance~~
941 ~~approval of the office. This section does not apply as to bank~~
942 ~~loans or to loans made upon security.~~

943 Section 27. Subsection (1) of section 629.171, Florida
944 Statutes, is amended to read:

945 629.171 Annual statement.—

946 (1) The annual statement of a reciprocal insurer must ~~shall~~
947 be made and filed by its attorney in fact in the same manner as
948 domestic stock insurers under s. 624.424.

949 Section 28. Section 629.191, Florida Statutes, is amended
950 to read:

951 629.191 Who may be subscribers.—Individuals, partnerships,
952 and corporations of this state may make applications for, enter
953 into agreements for, and hold policies or contracts in or with,
954 and be subscribers of, any ~~domestic, foreign, or alien~~
955 reciprocal insurer.

956 Section 29. Section 629.201, Florida Statutes, is amended
957 to read:

2-01148A-24

20241622__

958 629.201 Subscribers' advisory committee.—

959 (1) The advisory committee of a ~~domestic~~ reciprocal insurer
960 exercising the subscribers' rights must ~~shall~~ be selected under
961 such rules as the subscribers adopt.

962 (2) Not less than two-thirds of such committee may ~~shall~~ be
963 subscribers other than the attorney in fact, or any person
964 appointed by, employed by, representing, or having a financial
965 interest in the attorney in fact.

966 (3) The committee shall do all of the following:

967 (a) Supervise the finances of the insurer.‡

968 (b) Supervise the insurer's operations to such extent as to
969 assure conformity with the subscribers' agreement and power of
970 attorney.‡

971 (c) Procure the audit of the accounts and records of the
972 insurer and of the attorney in fact at the expense of the
973 insurer.‡ ~~and~~

974 (d) Have such additional powers and functions as may be
975 conferred by the subscribers' agreement.

976 Section 30. Section 629.225, Florida Statutes, is created
977 to read:

978 629.225 Acquisitions.—

979 (1) A person may not, individually or in conjunction with
980 an affiliated person of such person, directly or indirectly,
981 conclude a tender offer or exchange offer for, enter into any
982 agreement to exchange securities for, or otherwise finally
983 acquire 10 percent or more of the outstanding voting securities
984 of an attorney in fact that is a stock corporation or of a
985 controlling company of an attorney in fact that is a stock
986 corporation; or conclude an acquisition of, or otherwise finally

2-01148A-24

20241622__

987 acquire, 10 percent or more of the ownership interest of an
988 attorney in fact that is not a stock corporation or of a
989 controlling company of an attorney in fact that is not a stock
990 corporation, unless all of the following conditions are met:

991 (a) The person or affiliated person has filed with the
992 office and sent to the principal office of the attorney in fact,
993 any controlling company of the attorney in fact, and the
994 reciprocal insurer a letter of notification regarding the
995 transaction or proposed transaction no later than 5 days after
996 any form of tender offer or exchange offer is proposed, or no
997 later than 5 days after the acquisition of the securities or
998 ownership interest if no tender offer or exchange offer is
999 involved. The notification must be provided on forms prescribed
1000 by the commission containing information determined necessary to
1001 understand the transaction and identify all purchasers and
1002 owners involved.

1003 (b) The person or affiliated person has filed with the
1004 office an application, signed under oath and prepared on forms
1005 prescribed by the commission, which contains the information
1006 specified in subsection (3). The application must be completed
1007 and filed within 30 days after any form of tender offer or
1008 exchange offer is proposed, or after the acquisition of the
1009 securities if no tender offer or exchange offer is involved.

1010 (c) The office has approved the tender offer or exchange
1011 offer, or acquisition if no tender offer or exchange offer is
1012 involved.

1013 (2) The person or affiliated person filing the notice in
1014 required in paragraph (1) (a) may additionally request that the
1015 office waive the requirements of paragraph (1) (b), provided that

2-01148A-24

20241622__

1016 there is no change in the ultimate controlling shareholders, no
1017 change in the ownership percentages of the ultimate controlling
1018 shareholders, and no unaffiliated parties acquire any direct or
1019 indirect interest in the attorney in fact. The office may waive
1020 the filing if it determines that there is no change in the
1021 ultimate controlling shareholders, no change in the ownership
1022 percentages of the ultimate controlling shareholders, and no
1023 unaffiliated parties will acquire any direct or indirect
1024 interest in the attorney in fact.

1025 (3) The application to be filed with the office and
1026 furnished to the attorney in fact and controlling company must
1027 contain all of the following information and any additional
1028 information as the office deems necessary to determine the
1029 character, experience, ability, and other qualifications of the
1030 person, or the affiliated person of such person, for the
1031 protection of the reciprocal insurer's subscribers and of the
1032 public:

1033 (a) The identity and background information specified in s.
1034 629.227 of:

1035 1. Each person by whom, or on whose behalf, the acquisition
1036 is to be made; and

1037 2. Any person who controls, either directly or indirectly,
1038 such other person, including each director, officer, trustee,
1039 partner, owner, manager, or joint venturer, or another person
1040 performing duties similar to those of persons in the
1041 aforementioned positions for the person.

1042 (b) The source and amount of the funds or other
1043 consideration used, or to be used, in making the acquisition.

1044 (c) Any plans or proposals that such persons may have made

2-01148A-24

20241622__

1045 to liquidate the attorney in fact or controlling company, to
1046 sell any of their assets or merge or consolidate them with any
1047 person, or to make any other major change in their business or
1048 corporate structure or management, and any plans or proposals
1049 that such persons may have made to liquidate any controlling
1050 company of the attorney in fact, to sell any of its assets or
1051 merge or consolidate it with any person, or to make any other
1052 major change in its business or corporate structure or
1053 management.

1054 (d) The nature and the extent of the controlling interest
1055 which the person, or the affiliated person of such person,
1056 proposes to acquire, the terms of the proposed acquisition, and
1057 the manner in which the controlling interest is to be acquired
1058 of an attorney in fact or controlling company which is not a
1059 stock corporation.

1060 (e) The number of shares or other securities that the
1061 person, or the affiliated person of such person, proposes to
1062 acquire, the terms of the proposed acquisition, and the manner
1063 in which the securities are to be acquired.

1064 (f) Information as to any contract, arrangement, or
1065 understanding with any party with respect to any of the
1066 securities of the attorney in fact or controlling company,
1067 including, but not limited to, information relating to the
1068 transfer of any of the securities, option arrangements, puts or
1069 calls, or the giving or withholding of proxies, which
1070 information names the party with whom the contract, arrangement,
1071 or understanding has been entered into and gives the details
1072 thereof.

1073 (4) The acquisition application must be accompanied by the

2-01148A-24

20241622__

1074 fee required under s. 624.501(1) (a).

1075 (5) If any material change occurs in the facts provided in
1076 the application filed with the office pursuant to this section,
1077 or the background information required under s. 629.227, an
1078 amendment specifying such changes must be immediately filed with
1079 the office, and a copy of the amendment must be sent to the
1080 principal office of the attorney in fact and to the principal
1081 office of the controlling company.

1082 (6) (a) The acquisition application must be reviewed in
1083 accordance with chapter 120. The office may conduct, or, if
1084 requested to do so in writing by a substantially affected
1085 person, shall conduct, a proceeding to consider the
1086 appropriateness of the proposed application. Time periods for
1087 purposes of chapter 120 are tolled during the pendency of the
1088 proceeding. Any written request for a proceeding must be filed
1089 with the office within 10 days after the date notice of the
1090 filing is given. During the pendency of the proceeding or review
1091 period by the office, any person or affiliated person complying
1092 with the filing requirements of this section may proceed and
1093 take all steps necessary to conclude the acquisition so long as
1094 finalization of the acquisition is conditioned upon obtaining
1095 office approval. However, at any time it finds an immediate
1096 danger to the public health, safety, and welfare of the
1097 reciprocal insurer's subscribers exists, the office shall
1098 immediately order, pursuant to s. 120.569(2) (n), the proposed
1099 acquisition disapproved and any further steps to conclude the
1100 acquisition ceased.

1101 (b) During the pendency of the office's review of any
1102 acquisition subject to this section, the acquiring person may

2-01148A-24

20241622__

1103 not make any material change in the operation of the attorney in
1104 fact or controlling company unless the office has specifically
1105 approved the change, and the acquiring person may not make any
1106 material change in the management of the attorney in fact unless
1107 advance written notice of the change in management is furnished
1108 to the office. The term "material change in the operation of the
1109 attorney in fact" means a transaction that disposes of or
1110 obligates 5 percent or more of the capital and surplus of the
1111 attorney in fact. The term "material change in the management of
1112 the attorney in fact" means any change in management involving
1113 officers or directors of the attorney in fact or any person of
1114 the attorney in fact or controlling company having authority to
1115 dispose of or obligate 5 percent or more of the attorney in
1116 fact's capital or surplus. The office must approve a material
1117 change in the operation of the attorney in fact if it finds the
1118 applicable provisions of subsection (7) have not been met. The
1119 office may disapprove a material change in management of the
1120 attorney in fact if it finds that the applicable provisions of
1121 subsection (7) have been met, and in such case the attorney in
1122 fact shall promptly change management as acceptable to the
1123 office.

1124 (c) If a request for a proceeding is filed, the proceeding
1125 must be conducted within 60 days after the date the written
1126 request for a proceeding is received by the office. A
1127 recommended order must be issued within 20 days after the date
1128 of the close of the proceedings. A final order must be issued
1129 within 20 days after the date of the recommended order or, if
1130 exceptions to the recommended order are filed, within 20 days
1131 after the date the exceptions are filed.

2-01148A-24

20241622__

1132 (7) The office may disapprove any acquisition subject to
1133 this section by any person, or any affiliated person of such
1134 person, who:

1135 (a) Willfully violates this section;

1136 (b) In violation of an order issued by the office pursuant
1137 to subsection (11), fails to divest himself or herself of any
1138 stock or ownership interest obtained in violation of this
1139 section or fails to divest himself or herself of any direct or
1140 indirect control of such stock or ownership interest, within 25
1141 days after such order; or

1142 (c) In violation of an order issued by the office pursuant
1143 to subsection (11), acquires an additional stock or ownership
1144 interest in an attorney in fact or controlling company or direct
1145 or indirect control of such stock or ownership interest, without
1146 complying with this section.

1147 (8) The person filing the application required by this
1148 section has the burden of proof. The office must approve any
1149 such acquisition if it finds, on the basis of the record made
1150 during any proceeding or on the basis of the filed application
1151 if no proceeding is conducted, that:

1152 (a) The financial condition of the acquiring person will
1153 not jeopardize the financial stability of the attorney in fact
1154 or prejudice the interests of the reciprocal insurer's
1155 subscribers or the public.

1156 (b) Any plan or proposal that the acquiring person has
1157 made:

1158 1. To liquidate the attorney in fact, sell its assets, or
1159 merge or consolidate it with any person, or to make any other
1160 major change in its business or corporate structure or

2-01148A-24

20241622__

1161 management, is fair and free of prejudice to the reciprocal
1162 insurer's subscribers or to the public; or

1163 2. To liquidate any controlling company, sell its assets,
1164 or merge or consolidate it with any person, or to make any major
1165 change in its business or corporate structure or management
1166 which would have an effect upon the attorney in fact, is fair
1167 and free of prejudice to the reciprocal insurer's subscribers or
1168 to the public.

1169 (c) The competence, experience, and integrity of those
1170 persons who will control directly or indirectly the operation of
1171 the attorney in fact indicate that the acquisition is in the
1172 best interest of the reciprocal insurer's subscribers and in the
1173 public interest.

1174 (d) The natural persons for whom background information is
1175 required to be furnished pursuant to this section have such
1176 backgrounds as to indicate that it is in the best interests of
1177 the reciprocal insurer's subscribers and in the public interest
1178 to permit such persons to exercise control over the attorney in
1179 fact.

1180 (e) The directors and officers, if such attorney in fact or
1181 controlling company is a stock corporation, or the trustees,
1182 partners, owners, managers, or joint venturers, or other persons
1183 performing duties similar to those of persons in the
1184 aforementioned positions, if such attorney in fact or
1185 controlling company is not a stock corporation, to be employed
1186 after the acquisition have sufficient insurance experience and
1187 ability to assure reasonable promise of successful operation.

1188 (f) The management of the attorney in fact after the
1189 acquisition will be competent and trustworthy and will possess

2-01148A-24

20241622__

1190 sufficient managerial experience so as to make the proposed
1191 operation of the attorney in fact not hazardous to the
1192 insurance-buying public.

1193 (g) The management of the attorney in fact after the
1194 acquisition will not include any person who has directly or
1195 indirectly through ownership, control, reinsurance transactions,
1196 or other insurance or business relations unlawfully manipulated
1197 the assets, accounts, finances, or books of any insurer or
1198 otherwise acted in bad faith with respect thereto.

1199 (h) The acquisition is not likely to be hazardous or
1200 prejudicial to the reciprocal insurer's subscribers or to the
1201 public.

1202 (i) The effect of the acquisition would not substantially
1203 lessen competition in the line of insurance for which the
1204 reciprocal insurer is licensed or certified in this state or
1205 would not tend to create a monopoly therein.

1206 (9) A vote by the stockholder of record, or by any other
1207 person, of any security acquired in contravention of this
1208 section is not valid. Any acquisition contrary to this section
1209 is void. Upon the petition of the attorney in fact, the
1210 controlling company, or the reciprocal insurer, the circuit
1211 court for the county in which the principal office of the
1212 attorney in fact is located may, without limiting the generality
1213 of its authority, order the issuance or entry of an injunction
1214 or other order to enforce this section. There is a private right
1215 of action in favor of the attorney in fact or controlling
1216 company to enforce this section. A demand upon the office that
1217 it perform its functions is not required as a prerequisite to
1218 any legal action by the attorney in fact or controlling company

2-01148A-24

20241622__

1219 against another person, and the office may not be deemed a
1220 necessary party to any action by the attorney in fact or
1221 controlling company to enforce this section. Any person who
1222 makes or proposes an acquisition requiring the filing of an
1223 application pursuant to this section, or who files such an
1224 application, is deemed to have designated the chief financial
1225 officer, or his or her assistant or deputy or another person in
1226 charge of his or her office, as such person's agent for service
1227 of process under this section and is deemed to have submitted
1228 himself or herself to the administrative jurisdiction of the
1229 office and to the jurisdiction of the circuit court.

1230 (10) Any approval under this section by the office does not
1231 constitute a recommendation by the office of the tender offer or
1232 exchange offer, or the acquisition, if no tender offer or
1233 exchange offer is involved. It is unlawful for a person to
1234 represent that the office's approval constitutes a
1235 recommendation. A person who violates this subsection commits a
1236 felony of the third degree, punishable as provided in s.
1237 775.082, s. 775.083, or s. 775.084. The statute-of-limitations
1238 period for the prosecution of an offense committed under this
1239 subsection is 5 years.

1240 (11) A person may rebut a presumption of control by filing
1241 with the office a disclaimer of control with the office on a
1242 form prescribed by the commission. The disclaimer must fully
1243 disclose all material relationships and bases for affiliation
1244 between the person and the attorney in fact as well as the basis
1245 for disclaiming the affiliation. In lieu of such form, a person
1246 or acquiring party may file with the office a copy of a Schedule
1247 13G filed with the Securities and Exchange Commission pursuant

2-01148A-24

20241622__

1248 to Rule 13d-1(b) or (c), 17 C.F.R. s. 240.13d-1, under the
1249 Securities Exchange Act of 1934, as amended. After a disclaimer
1250 has been filed, the attorney in fact is relieved of any duty to
1251 register or report under this section which may arise out of the
1252 attorney in fact's relationship with the person unless the
1253 office disallows the disclaimer.

1254 (12) If the office determines that any person, or any
1255 affiliated person of such person, has acquired 10 percent or
1256 more of the outstanding voting securities of an attorney in fact
1257 or controlling company that is a stock corporation, or 10
1258 percent or more of the ownership interest of an attorney in fact
1259 or controlling company that is not a stock corporation, without
1260 complying with this section, the office may order that the
1261 person, and any affiliated person of such person, cease
1262 acquisition of the attorney in fact or controlling company and,
1263 if appropriate, divest itself of any stock or ownership interest
1264 acquired in violation of this section.

1265 (13) (a) The office shall, if necessary to protect the
1266 public interest, suspend or revoke the reciprocal certificate of
1267 authority of the reciprocal insurer whose attorney in fact or
1268 controlling company is acquired in violation of this section.

1269 (b) If a reciprocal insurer is subject to suspension or
1270 revocation pursuant to paragraph (a), the attorney in fact is
1271 deemed to be in such condition, or to be using or to have been
1272 subject to such methods or practices in the conduct of its
1273 business, as to render its further transaction of insurance
1274 hazardous to its subscribers, creditors, or stockholders or to
1275 the public. In such case, the office may offer the reciprocal
1276 insurer, through its subscriber representatives, the ability to

2-01148A-24

20241622__

1277 cure any suspension or revocation by procuring another attorney
1278 in fact acceptable to the office.

1279 (14) This section does not apply to any acquisition of
1280 voting securities or ownership interest of an attorney in fact
1281 or of a controlling company by any person who is the owner of a
1282 majority of the voting securities or ownership interest with the
1283 approval of the office under this section or s. 629.091.

1284 Section 31. Section 629.227, Florida Statutes, is created
1285 to read:

1286 629.227 Background information.—The information as to the
1287 background and identity of each person for whom information is
1288 required to be furnished pursuant to s. 629.081 or s. 629.225
1289 must include, but need not be limited to, all of the following:

1290 (1) A sworn biographical statement, on forms adopted by the
1291 commission, which must include, but need not be limited to, the
1292 following information:

1293 (a) Occupations, positions of employment, and offices held
1294 during the past 10 years, including the principal business and
1295 address of any business, corporation, or organization where each
1296 occupation, position of employment, or office occurred.

1297 (b) Whether, during such 10-year period, the person was
1298 convicted of any crime other than a traffic violation.

1299 (c) Whether, during such 10-year period, the person has
1300 been the subject of any proceeding for the revocation of any
1301 license and, if so, the nature of the proceeding and the
1302 disposition of the proceeding.

1303 (d) Whether, during such 10-year period, the person has
1304 been the subject of any proceeding under the bankruptcy code.

1305 (e) Whether, during such 10-year period, any person or

2-01148A-24

20241622__

1306 other business or organization in which the person was a
 1307 director, officer, trustee, partner, owner, manager, or other
 1308 official has been subject to any proceeding under the bankruptcy
 1309 code, either during the time of that person's tenure with the
 1310 business or organization or within 12 months thereafter.

1311 (f) Whether, during such 10-year period, the person has
 1312 been enjoined, either temporarily or permanently, by a court of
 1313 competent jurisdiction from violating any federal or state law
 1314 regulating the business of insurance, securities, or banking, or
 1315 from carrying out any particular practice or practices in the
 1316 course of the business of insurance, securities, or banking,
 1317 together with details as to any such event.

1318 (2) The fingerprints of each person.

1319 (3) An authorization for release of information necessary
 1320 to investigate such person's background.

1321 (4) Any additional information that the office deems
 1322 necessary to determine the character, experience, ability, and
 1323 other qualifications of the person, or affiliated person of such
 1324 person, for the protection of the reciprocal insurer's
 1325 subscribers and of the public.

1326 Section 32. Subsection (1) of section 629.231, Florida
 1327 Statutes, is amended, and subsection (5) is added to that
 1328 section, to read:

1329 629.231 Assessments.—

1330 (1) Assessments may ~~from time to time~~ be levied upon
 1331 subscribers of an assessable ~~a domestic~~ reciprocal insurer who
 1332 are liable for such assessments ~~therefor~~ under the terms of
 1333 their policies by the attorney in fact. Any such assessment must
 1334 be approved ~~upon approval~~ in advance by the subscribers'

2-01148A-24

20241622__

1335 advisory committee and the office, or by the department as
1336 receiver of the insurer.

1337 (5) Upon impairment of surplus of a nonassessable
1338 reciprocal insurer, the office shall revoke the authorization
1339 under s. 629.291(5) to convert to a nonassessable reciprocal
1340 insurer. After such revocation, any policy in force at the time
1341 the revocation occurs remains in force for the remainder of the
1342 period for which the premium has been paid, but the reciprocal
1343 insurer may not issue new policies without requiring contingent
1344 assessment liability from the new subscriber.

1345 Section 33. Section 629.241, Florida Statutes, is amended
1346 to read:

1347 629.241 Time limit for assessments.—Every subscriber of a
1348 ~~domestic~~ reciprocal insurer having contingent liability shall be
1349 liable for, and shall pay his or her share of, any assessment,
1350 as computed and limited in accordance with this chapter, if:

1351 (1) While his or her policy is in force or within 4 years
1352 after its termination, the subscriber is notified by either the
1353 attorney in fact or the office of its intentions to levy such
1354 assessment; or

1355 (2) An order to show cause why a receiver, conservator,
1356 rehabilitator, or liquidator of the insurer should not be
1357 appointed is issued while the subscriber's policy is in force or
1358 within 4 years after its termination.

1359 Section 34. Section 629.251, Florida Statutes, is amended
1360 to read:

1361 629.251 Aggregate liability.—No one policy or subscriber as
1362 to such policy shall be assessed or charged with an aggregate of
1363 contingent liability as to obligations incurred by a ~~domestic~~

2-01148A-24

20241622__

1364 reciprocal insurer in any one calendar year in excess of the
1365 amount provided for in the power of attorney or in the
1366 subscribers' agreement, computed solely upon premium earned on
1367 such policy during that year.

1368 Section 35. Section 629.261, Florida Statutes, is repealed.

1369 Section 36. Subsection (2) of section 629.271, Florida
1370 Statutes, is amended to read:

1371 629.271 Distribution of savings.—

1372 (2) In addition to the option provided in subsection (1), a
1373 ~~domestic~~ reciprocal insurer may, upon the prior written approval
1374 of the office, pay to its subscribers a portion of unassigned
1375 funds of up to 10 percent of surplus, with distribution limited
1376 to 50 percent of net income from the previous calendar year.
1377 Such distribution may not unfairly discriminate between classes
1378 of risks or policies, or between subscribers, but may vary as to
1379 classes of subscribers based on the experience of the classes.

1380 Section 37. Section 629.281, Florida Statutes, is amended
1381 to read:

1382 629.281 Subscribers' share in assets.—Upon the liquidation
1383 of a domestic reciprocal insurer, its assets remaining after
1384 discharge of its indebtedness and policy obligations, the return
1385 of any contributions of the attorney in fact or other persons to
1386 its surplus made as provided in s. 629.161, and the return of
1387 any unused premium, savings, or credits then standing on
1388 subscribers' accounts shall be distributed to its subscribers
1389 who were such within the 12 months prior to the last termination
1390 of its reciprocal certificate of authority, according to such
1391 reasonable formula as the office approves.

1392 Section 38. Subsections (1), (2), and (4) of section

2-01148A-24

20241622__

1393 629.291, Florida Statutes, are amended, and subsection (5) is
1394 added to that section, to read:

1395 629.291 Merger or conversion.—

1396 (1) A ~~domestic~~ reciprocal insurer, upon affirmative vote of
1397 not less than two-thirds of its subscribers who vote on such
1398 merger pursuant to due notice, subject to ~~and the approval by~~ of
1399 the office of the terms therefor, may merge with another
1400 reciprocal insurer or be converted to a stock or mutual insurer,
1401 to be thereafter governed by the applicable sections of the
1402 Florida Insurance Code. However, a domestic stock insurer may
1403 not be converted to a reciprocal insurer.

1404 (2) Any such plan to merge a reciprocal insurer with
1405 another reciprocal insurer or for conversion of the reciprocal
1406 insurer to a stock or mutual insurer must be filed with the
1407 office on forms adopted by the commission and must contain such
1408 information as the office reasonable requires to evaluate the
1409 transaction ~~Such a stock or mutual insurer shall be subject to~~
1410 ~~the same capital or surplus requirements and shall have the same~~
1411 ~~rights as a like domestic insurer transacting like kinds of~~
1412 ~~insurance.~~

1413 (4) Reinsurance of all or substantially all of the
1414 insurance in force of a domestic reciprocal insurer in another
1415 insurer is ~~shall be~~ deemed to be a merger for the purposes of
1416 this section.

1417 (5) (a) An assessable reciprocal insurer may be converted to
1418 a nonassessable reciprocal insurer if:

1419 1. The subscriber's advisory committee approves the
1420 application for conversion;

1421 2. The attorney in fact submits the application on the

2-01148A-24

20241622__

1422 required application form; and

1423 3. The office finds that the application meets the minimum
1424 statutory requirements.

1425 (b) If the office approves the application, the assessable
1426 reciprocal insurer may be converted to a nonassessable
1427 reciprocal insurer by:

1428 1. Extinguishing the contingent liability of subscribers
1429 under all policies then in force in this state;

1430 2. Omitting contingent liability provisions in all policies
1431 delivered or issued in this state after the conversion; and

1432 3. Otherwise extinguishing the contingent liability of all
1433 of its subscribers. However, if the reciprocal insurer is
1434 transacting insurance as an authorized insurer in another state
1435 and that state's laws require the insurer to issue policies with
1436 contingent liability provisions, the insurer may issue
1437 contingent liability policies in that other state.

1438 (c) If the surplus of the reciprocal insurer becomes
1439 impaired, the insurer may no longer issue nonassessable policies
1440 or convert assessable policies to nonassessable policies, and s.
1441 629.301 applies.

1442 Section 39. Subsections (1) and (2) of section 629.301,
1443 Florida Statutes, are amended to read:

1444 629.301 Impaired reciprocal insurers.—

1445 (1) If the assets of a ~~domestic~~ reciprocal insurer are at
1446 any time insufficient to discharge its liabilities, other than
1447 any liability on account of funds contributed by the attorney in
1448 fact or others, and to maintain the required surplus, its
1449 attorney in fact shall forthwith make up the deficiency or levy
1450 an assessment upon the subscribers for the amount needed to make

2-01148A-24

20241622__

1451 up the deficiency, but subject to the limitation set forth in
1452 the power of attorney or policy.

1453 (2) If the attorney in fact fails to make up such
1454 deficiency or to make the assessment within 30 days after the
1455 office orders him or her to do so, or if the deficiency is not
1456 fully made up within 60 days after the date the assessment was
1457 made, the insurer must ~~shall~~ be deemed insolvent and ~~shall~~ be
1458 proceeded against in the same manner as any other domestic
1459 insurer under chapter 631 and the insurance as authorized by
1460 ~~this~~ code.

1461 Section 40. Section 629.401, Florida Statutes, is repealed.

1462 Section 41. Section 629.520, Florida Statutes, is repealed.

1463 Section 42. Section 629.525, Florida Statutes, is created
1464 to read:

1465 629.525 Rulemaking authority.—The commission shall adopt,
1466 amend, or repeal rules pursuant to chapter 120 which are
1467 necessary to implement this chapter.

1468 Section 43. Paragraph (h) of subsection (3) of section
1469 163.01, Florida Statutes, is amended to read:

1470 163.01 Florida Interlocal Cooperation Act of 1969.—

1471 (3) As used in this section:

1472 (h) "Local government liability pool" means a reciprocal
1473 insurer as defined in s. 629.011 ~~s. 629.021~~ or any self-
1474 insurance program created pursuant to s. 768.28(16), formed and
1475 controlled by counties or municipalities of this state to
1476 provide liability insurance coverage for counties,
1477 municipalities, or other public agencies of this state, which
1478 pool may contract with other parties for the purpose of
1479 providing claims administration, processing, accounting, and

2-01148A-24

20241622__

1480 other administrative facilities.

1481 Section 44. Paragraph (c) of subsection (1) of section
1482 624.413, Florida Statutes, is amended to read:

1483 624.413 Application for certificate of authority.—

1484 (1) To apply for a certificate of authority, an insurer
1485 shall file its application therefor with the office, upon a form
1486 adopted by the commission and furnished by the office, showing
1487 its name; location of its home office and, if an alien insurer,
1488 its principal office in the United States; kinds of insurance to
1489 be transacted; state or country of domicile; and such additional
1490 information as the commission reasonably requires, together with
1491 the following documents:

1492 (c) If a foreign or alien reciprocal insurer, a copy of the
1493 power of attorney of its attorney in fact and of its
1494 subscribers' agreement, if any, certified by the attorney in
1495 fact; and, if a domestic reciprocal insurer, the permit
1496 application ~~declaration~~ provided for in s. 629.081.

1497 Section 45. Section 624.45, Florida Statutes, is amended to
1498 read:

1499 624.45 Participation of financial institutions in
1500 reinsurance and in insurance exchanges.—Subject to applicable
1501 laws relating to financial institutions and to any other
1502 applicable provision of the Florida Insurance Code, any
1503 financial institution or aggregation of such institutions may:

1504 ~~(1) own or control, directly or indirectly, any insurer~~
1505 that ~~which~~ is authorized or approved by the office, that ~~which~~
1506 ~~insurer~~ transacts only reinsurance in this state, and that ~~which~~
1507 actively engages in reinsuring risks located in this state.

1508 ~~(2) Participate, directly or indirectly, as an underwriting~~

2-01148A-24

20241622__

1509 ~~member or as an investor in an underwriting member of any~~
 1510 ~~insurance exchange authorized in accordance with s. 629.401,~~
 1511 ~~which underwriting member transacts only aggregate or specific~~
 1512 ~~excess insurance over underlying self-insurance coverage for~~
 1513 ~~self-insurance organizations authorized under the Florida~~
 1514 ~~Insurance Code, for multiple employer welfare arrangements, or~~
 1515 ~~for workers' compensation self-insurance trusts, in addition to~~
 1516 ~~any reinsurance the underwriting member may transact.~~

1517 ~~Nothing in~~ However, this section may not ~~shall~~ be deemed to
 1518 prohibit a financial institution from engaging in any presently
 1519 authorized insurance activity.

1520 Section 46. Subsection (3) of section 626.9531, Florida
 1521 Statutes, is amended to read:

1522 626.9531 Identification of insurers, agents, and insurance
 1523 contracts.—

1524 (3) For the purposes of this section, the term "risk
 1525 bearing entity" means a reciprocal insurer as defined in s.
 1526 629.011 ~~s. 629.021~~, a commercial self-insurance fund as defined
 1527 in s. 624.462, a group self-insurance fund as defined in s.
 1528 624.4621, a local government self-insurance fund as defined in
 1529 s. 624.4622, a self-insured public utility as defined in s.
 1530 624.46225, or an independent educational institution self-
 1531 insurance fund as defined in s. 624.4623. For the purposes of
 1532 this section, the term "risk bearing entity" does not include an
 1533 authorized insurer as defined in s. 624.09.

1534 Section 47. Reciprocal insurers licensed before July 1,
 1535 2025, shall increase their surplus as required by the amendments
 1536 made by this act to s. 629.071, Florida Statutes, by January 1,
 1537 2026. The attorney in fact of a reciprocal insurer licensed

2-01148A-24

20241622__

1538 before July 1, 2025, shall increase its bond as required by the
1539 amendments made by this act to s. 629.121, Florida Statutes, by
1540 January 1, 2026.

1541 Section 48. This act shall take effect July 1, 2025.