

By Senator Stewart

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1 A bill to be entitled
2 An act relating to surplus requirements for
3 residential property insurers; amending s. 624.407,
4 F.S.; increasing the minimum surplus requirement for
5 certain new insurers transacting residential property
6 insurance; amending s. 624.408, F.S.; increasing,
7 during specified intervals, the minimum surplus
8 requirement for certain current residential property
9 insurers; providing an effective date.

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

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13 Section 1. Subsection (1) of section 624.407, Florida
14 Statutes, is amended to read:

15 624.407 Surplus required; new insurers.—

16 (1) To receive authority to transact any one kind or
17 combinations of kinds of insurance, as defined in part V of this
18 chapter, an insurer applying for its original certificate of
19 authority in this state shall possess surplus as to
20 policyholders at least the greater of:

21 (a) For a property and casualty insurer, \$5 million, or
22 \$2.5 million for any other insurer;

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

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

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

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30 (e) Notwithstanding paragraph (a) or paragraph (d), for a
31 domestic insurer that transacts residential property insurance
32 and is:

33 1. Not a wholly owned subsidiary of an insurer domiciled in
34 any other state, \$20 ~~\$15~~ million.

35 2. A wholly owned subsidiary of an insurer domiciled in any
36 other state, \$50 million;

37 (f) Notwithstanding paragraphs (a), (d), and (e), for a
38 domestic insurer that only transacts limited sinkhole coverage
39 insurance for personal lines residential property pursuant to s.
40 627.7151, \$7.5 million; or

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

45 Section 2. Paragraphs (f) and (g) of subsection (1) of
46 section 624.408, Florida Statutes, are amended to read:

47 624.408 Surplus required; current insurers.—

48 (1) To maintain a certificate of authority to transact any
49 one kind or combinations of kinds of insurance, as defined in
50 part V of this chapter, an insurer in this state must at all
51 times maintain surplus as to policyholders at least the greater
52 of:

53 (f) For residential property insurers not holding a
54 certificate of authority before July 1, 2011, \$20 ~~\$15~~ million.

55 (g) For residential property insurers holding a certificate
56 of authority before July 1, 2011, and until June 30, 2016, \$5
57 million; on or after July 1, 2016, and until June 30, 2021, \$10
58 million; on or after July 1, 2021, and until June 30, 2026, \$15

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59 million; on or after July 1, 2026, and until June 30, 2031, \$20
60 million. Beginning July 1, 2031, and every 5 years thereafter,
61 the minimum surplus as to policyholders shall increase by \$5
62 million.

63
64 The office may reduce the surplus requirement in paragraphs (f)
65 and (g) if the insurer is not writing new business, has premiums
66 in force of less than \$1 million per year in residential
67 property insurance, or is a mutual insurance company.

68 Section 3. This act shall take effect July 1, 2024.