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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/17/2025	.	
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The Committee on Fiscal Policy (Gruters) recommended the following:

Senate Amendment (with title amendment)

Before line 25

insert:

Section 1. Subsection (4) of section 626.914, Florida Statutes, is amended to read:

626.914 Definitions.—As used in this Surplus Lines Law, the term:

~~(4) "Diligent effort" means seeking coverage from and having been rejected by at least three authorized insurers~~



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11 ~~currently writing this type of coverage and documenting these~~
12 ~~rejections. However, if the residential structure has a dwelling~~
13 ~~replacement cost of \$700,000 or more, the term means seeking~~
14 ~~coverage from and having been rejected by at least one~~
15 ~~authorized insurer currently writing this type of coverage and~~
16 ~~documenting this rejection.~~

17 Section 2. Paragraphs (a) and (e) of subsection (1) and
18 subsections (2) and (3) of section 626.916, Florida Statutes,
19 are amended to read:

20 626.916 Eligibility for export.—

21 (1) No insurance coverage shall be eligible for export
22 unless it meets all of the following conditions:

23 ~~(a) The full amount of insurance required must not be~~
24 ~~procurable, after a diligent effort has been made by the~~
25 ~~producing agent to do so, from among the insurers authorized to~~
26 ~~transact and actually writing that kind and class of insurance~~
27 ~~in this state, and the amount of insurance exported shall be~~
28 ~~only the excess over the amount so procurable from authorized~~
29 ~~insurers. Surplus lines agents must verify that a diligent~~
30 ~~effort has been made by requiring a properly documented~~
31 ~~statement of diligent effort from the retail or producing agent.~~
32 ~~However, to be in compliance with the diligent effort~~
33 ~~requirement, the surplus lines agent's reliance must be~~
34 ~~reasonable under the particular circumstances surrounding the~~
35 ~~export of that particular risk. Reasonableness shall be assessed~~
36 ~~by taking into account factors which include, but are not~~
37 ~~limited to, a regularly conducted program of verification of the~~
38 ~~information provided by the retail or producing agent.~~
39 ~~Declinations must be documented on a risk-by-risk basis. If it~~



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40 ~~is not possible to obtain the full amount of insurance required~~
41 ~~by layering the risk, it is permissible to export the full~~
42 ~~amount.~~

43 ~~(d)(e)~~ The insured has signed or otherwise provided
44 documented acknowledgment of a disclosure in substantially the
45 following form: "You are agreeing to place coverage in the
46 surplus lines market. Coverage may be available in the admitted
47 market. Persons insured by surplus lines carriers are not
48 protected under the Florida Insurance Guaranty Act with respect
49 to any right of recovery for the obligation of an insolvent
50 unlicensed insurer. Additionally, surplus lines insurers' policy
51 rates and forms are not approved by any Florida regulatory
52 agency." If the acknowledgment of the disclosure is signed by
53 the insured, the insured is presumed to have been informed and
54 to know that other coverage may be available.

55 ~~(2) The commission may by rule declare eligible for export~~
56 ~~generally, and notwithstanding the provisions of paragraphs (a),~~
57 ~~(b), (c), and (d) of subsection (1), any class or classes of~~
58 ~~insurance coverage or risk for which it finds, after a hearing,~~
59 ~~that there is no reasonable or adequate market among authorized~~
60 ~~insurers. Any such rules shall continue in effect during the~~
61 ~~existence of the conditions upon which predicated, but subject~~
62 ~~to termination by the commission.~~

63 ~~(3)(a) Subsection (1) does not apply to wet marine and~~
64 ~~transportation or aviation risks that are subject to s. 626.917.~~

65 ~~(b) Subsection (1) does not apply to classes of insurance~~
66 ~~which are related to indemnity of deductibles for property~~
67 ~~insurance or are subject to s. 627.062(3)(d)1. These classes may~~
68 ~~be exportable under the following conditions:~~



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69 ~~1. The insurance must be placed only by or through a~~
70 ~~surplus lines agent licensed in this state;~~
71 ~~2. The insurer must be made eligible under s. 626.918; and~~
72 ~~3. The insured has complied with paragraph (1) (c). If the~~
73 ~~disclosure is signed by the insured, the insured is presumed to~~
74 ~~have been informed and to know that other coverage may be~~
75 ~~available, and, with respect to the diligent effort requirement~~
76 ~~under subsection (1), there is no liability on the part of, and~~
77 ~~no cause of action arises against, the retail agent presenting~~
78 ~~the form.~~

79 Section 3. Subsection (5) of section 626.918, Florida
80 Statutes, is amended to read:

81 626.918 Eligible surplus lines insurers.—

82 (5) When it appears that any particular insurance risk
83 which is eligible for export, but on which insurance coverage,
84 in whole or in part, is not procurable from the eligible surplus
85 lines insurers, after a search of eligible surplus lines
86 insurers, then the surplus lines agent may file a supplemental
87 signed statement setting forth such facts and advising the
88 office that such part of the risk as shall be unprocurable, as
89 aforesaid, is being placed with named unauthorized insurers, in
90 the amounts and percentages set forth in the statement. Such
91 named unauthorized insurer shall, however, before accepting any
92 risk in this state, deposit with the department cash or
93 securities acceptable to the office and department of the market
94 value of \$50,000 for each individual risk, contract, or
95 certificate, which deposit shall be held by the department for
96 the benefit of Florida policyholders only; and the surplus lines
97 agent shall procure from such unauthorized insurer and file with



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98 the office a certified copy of its statement of condition as of
99 the close of the last calendar year. If such statement reveals,
100 including both capital and surplus, net assets of at least that
101 amount required for licensure of a domestic insurer, then the
102 surplus lines agent may proceed to consummate such contract of
103 insurance. Whenever any insurance risk, or any part thereof, is
104 placed with an unauthorized insurer, as provided herein, the
105 policy, binder, or cover note shall contain a statement signed
106 by the insured and the agent with the following notation: "The
107 insured is aware that certain insurers participating in this
108 risk have not been approved to transact business in Florida nor
109 have they been declared eligible as surplus lines insurers by
110 the Office of Insurance Regulation of Florida. The placing of
111 such insurance by a duly licensed surplus lines agent in Florida
112 shall not be construed as approval of such insurer by the Office
113 of Insurance Regulation of Florida. Consequently, the insured is
114 aware that the insured has severely limited the assistance
115 available under the insurance laws of Florida. The insured is
116 further aware that he or she may be charged a reasonable per
117 policy fee, as provided in s. 626.916(2) ~~s. 626.916(4)~~, Florida
118 Statutes, for each policy certified for export." All other
119 provisions of this code shall apply to such placement the same
120 as if such risks were placed with an eligible surplus lines
121 insurer.

122 Section 4. Subsection (6) of section 626.932, Florida
123 Statutes, is amended to read:

124 626.932 Surplus lines tax.—

125 (6) For the purposes of this section, the term "premium"
126 means the consideration for insurance by whatever name called



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127 and includes any assessment, or any membership, policy, survey,
128 inspection, service, or similar fee or charge in consideration
129 for an insurance contract, which items are deemed to be a part
130 of the premium. The per-policy fee authorized by s. 626.916(2)
131 ~~s. 626.916(4)~~ is specifically included within the meaning of the
132 term "premium." However, the service fee imposed pursuant to s.
133 626.9325 is excluded from the meaning of the term "premium."

134 Section 5. Subsection (6) of section 626.9325, Florida
135 Statutes, is amended to read:

136 626.9325 Service fee.—

137 (6) For the purposes of this section, the term "premium"
138 means the consideration for insurance by whatever name called
139 and includes any assessment, or any membership, policy, survey,
140 inspection, service, or similar fee or charge in consideration
141 for an insurance contract, which items are deemed to be a part
142 of the premium. The per-policy fee authorized by s. 626.916(2)
143 ~~s. 626.916(4)~~ is specifically included within the meaning of the
144 term "premium."

145 Section 6. Paragraph (o) of subsection (1) of section
146 626.9541, Florida Statutes, is amended to read:

147 626.9541 Unfair methods of competition and unfair or
148 deceptive acts or practices defined.—

149 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE
150 ACTS.—The following are defined as unfair methods of competition
151 and unfair or deceptive acts or practices:

152 (o) *Illegal dealings in premiums; excess or reduced charges*
153 *for insurance.*—

154 1. Knowingly collecting any sum as a premium or charge for
155 insurance, which is not then provided, or is not in due course



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156 to be provided, subject to acceptance of the risk by the
157 insurer, by an insurance policy issued by an insurer as
158 permitted by this code.

159 2. Knowingly collecting as a premium or charge for
160 insurance any sum in excess of or less than the premium or
161 charge applicable to such insurance, in accordance with the
162 applicable classifications and rates as filed with and approved
163 by the office, and as specified in the policy; or, in cases when
164 classifications, premiums, or rates are not required by this
165 code to be so filed and approved, premiums and charges collected
166 from a Florida resident in excess of or less than those
167 specified in the policy and as fixed by the insurer.

168 Notwithstanding any other provision of law, this provision shall
169 not be deemed to prohibit the charging and collection, by
170 surplus lines agents licensed under part VIII of this chapter,
171 of the amount of applicable state and federal taxes, or fees as
172 authorized by s. 626.916(2) ~~s. 626.916(4)~~, in addition to the
173 premium required by the insurer or the charging and collection,
174 by licensed agents, of the exact amount of any discount or other
175 such fee charged by a credit card facility in connection with
176 the use of a credit card, as authorized by subparagraph (q)3.,
177 in addition to the premium required by the insurer. This
178 subparagraph shall not be construed to prohibit collection of a
179 premium for a universal life or a variable or indeterminate
180 value insurance policy made in accordance with the terms of the
181 contract.

182 3.a. Imposing or requesting an additional premium for a
183 policy of motor vehicle liability, personal injury protection,
184 medical payment, or collision insurance or any combination



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185 thereof or refusing to renew the policy solely because the
186 insured was involved in a motor vehicle accident unless the
187 insurer's file contains information from which the insurer in
188 good faith determines that the insured was substantially at
189 fault in the accident.

190 b. An insurer which imposes and collects such a surcharge
191 or which refuses to renew such policy shall, in conjunction with
192 the notice of premium due or notice of nonrenewal, notify the
193 named insured that he or she is entitled to reimbursement of
194 such amount or renewal of the policy under the conditions listed
195 below and will subsequently reimburse him or her or renew the
196 policy, if the named insured demonstrates that the operator
197 involved in the accident was:

198 (I) Lawfully parked;

199 (II) Reimbursed by, or on behalf of, a person responsible
200 for the accident or has a judgment against such person;

201 (III) Struck in the rear by another vehicle headed in the
202 same direction and was not convicted of a moving traffic
203 violation in connection with the accident;

204 (IV) Hit by a "hit-and-run" driver, if the accident was
205 reported to the proper authorities within 24 hours after
206 discovering the accident;

207 (V) Not convicted of a moving traffic violation in
208 connection with the accident, but the operator of the other
209 automobile involved in such accident was convicted of a moving
210 traffic violation;

211 (VI) Finally adjudicated not to be liable by a court of
212 competent jurisdiction;

213 (VII) In receipt of a traffic citation which was dismissed



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214 or nolle prossed; or

215 (VIII) Not at fault as evidenced by a written statement
216 from the insured establishing facts demonstrating lack of fault
217 which are not rebutted by information in the insurer's file from
218 which the insurer in good faith determines that the insured was
219 substantially at fault.

220 c. In addition to the other provisions of this
221 subparagraph, an insurer may not fail to renew a policy if the
222 insured has had only one accident in which he or she was at
223 fault within the current 3-year period. However, an insurer may
224 nonrenew a policy for reasons other than accidents in accordance
225 with s. 627.728. This subparagraph does not prohibit nonrenewal
226 of a policy under which the insured has had three or more
227 accidents, regardless of fault, during the most recent 3-year
228 period.

229 4. Imposing or requesting an additional premium for, or
230 refusing to renew, a policy for motor vehicle insurance solely
231 because the insured committed a noncriminal traffic infraction
232 as described in s. 318.14 unless the infraction is:

233 a. A second infraction committed within an 18-month period,
234 or a third or subsequent infraction committed within a 36-month
235 period.

236 b. A violation of s. 316.183, when such violation is a
237 result of exceeding the lawful speed limit by more than 15 miles
238 per hour.

239 5. Upon the request of the insured, the insurer and
240 licensed agent shall supply to the insured the complete proof of
241 fault or other criteria which justifies the additional charge or
242 cancellation.



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243 6. No insurer shall impose or request an additional premium
244 for motor vehicle insurance, cancel or refuse to issue a policy,
245 or refuse to renew a policy because the insured or the applicant
246 is a handicapped or physically disabled person, so long as such
247 handicap or physical disability does not substantially impair
248 such person's mechanically assisted driving ability.

249 7. No insurer may cancel or otherwise terminate any
250 insurance contract or coverage, or require execution of a
251 consent to rate endorsement, during the stated policy term for
252 the purpose of offering to issue, or issuing, a similar or
253 identical contract or coverage to the same insured with the same
254 exposure at a higher premium rate or continuing an existing
255 contract or coverage with the same exposure at an increased
256 premium.

257 8. No insurer may issue a nonrenewal notice on any
258 insurance contract or coverage, or require execution of a
259 consent to rate endorsement, for the purpose of offering to
260 issue, or issuing, a similar or identical contract or coverage
261 to the same insured at a higher premium rate or continuing an
262 existing contract or coverage at an increased premium without
263 meeting any applicable notice requirements.

264 9. No insurer shall, with respect to premiums charged for
265 motor vehicle insurance, unfairly discriminate solely on the
266 basis of age, sex, marital status, or scholastic achievement.

267 10. Imposing or requesting an additional premium for motor
268 vehicle comprehensive or uninsured motorist coverage solely
269 because the insured was involved in a motor vehicle accident or
270 was convicted of a moving traffic violation.

271 11. No insurer shall cancel or issue a nonrenewal notice on



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272 any insurance policy or contract without complying with any
273 applicable cancellation or nonrenewal provision required under
274 the Florida Insurance Code.

275 12. No insurer shall impose or request an additional
276 premium, cancel a policy, or issue a nonrenewal notice on any
277 insurance policy or contract because of any traffic infraction
278 when adjudication has been withheld and no points have been
279 assessed pursuant to s. 318.14(9) and (10). However, this
280 subparagraph does not apply to traffic infractions involving
281 accidents in which the insurer has incurred a loss due to the
282 fault of the insured.

283 Section 7. Subsection (4) of section 627.715, Florida
284 Statutes, is amended to read:

285 627.715 Flood insurance.—An authorized insurer may issue an
286 insurance policy, contract, or endorsement providing personal
287 lines residential coverage for the peril of flood or excess
288 coverage for the peril of flood on any structure or the contents
289 of personal property contained therein, subject to this section.
290 This section does not apply to commercial lines residential or
291 commercial lines nonresidential coverage for the peril of flood.
292 An insurer may issue flood insurance policies, contracts,
293 endorsements, or excess coverage on a standard, preferred,
294 customized, flexible, or supplemental basis.

295 (4) An agent may export a contract or an endorsement
296 providing flood coverage to an eligible surplus lines insurer
297 ~~without making a diligent effort to seek such coverage from~~
298 ~~three or more authorized insurers under s. 626.916 s.~~
299 ~~626.916(1) (a).~~

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301 ===== T I T L E A M E N D M E N T =====

302 And the title is amended as follows:

303 Delete line 2

304 and insert:

305 An act relating to financial services; amending s.
306 626.914, F.S.; deleting the definition of the term
307 "diligent effort"; amending s. 626.916, F.S.; revising
308 the conditions for insurance coverage to be eligible
309 for export; providing that an insured is presumed to
310 have been informed of the availability of other
311 coverage under certain circumstances; deleting the
312 Financial Services Commission's authority to adopt
313 rules relating to insurance coverage or risk
314 eligibility for export; deleting applicability;
315 amending ss. 626.918, 626.932, 626.9325, 626.9541, and
316 627.715, F.S.; conforming cross-references and
317 provisions to changes made by the act; amending s.