

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED  (Y/N)  
ADOPTED AS AMENDED  (Y/N)  
ADOPTED W/O OBJECTION  (Y/N)  
FAILED TO ADOPT  (Y/N)  
WITHDRAWN  (Y/N)  
OTHER

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1 Committee/Subcommittee hearing bill: Insurance & Banking  
2 Subcommittee

3 Representative Conerly offered the following:

4

5 **Amendment**

6 Remove lines 138-172 and insert:

7 (7) An association licensed under this part and holding no other  
8 license under part I or part II of this chapter is not required  
9 to establish an unearned premium reserve or maintain contractual  
10 liability insurance and may allow its premiums to exceed the  
11 ratio to net assets limitation of this section if the  
12 association complies with the following:

13 (a) The association or, if the association is a direct or  
14 indirect wholly owned subsidiary of a parent corporation, its  
15 parent corporation has, and maintains at all times, a minimum

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16 net worth of at least \$100 million and provides the office with  
17 one of the following:

18 1. A copy of the association's annual audited financial  
19 statements or the audited consolidated financial statements of  
20 the association's parent corporation, prepared by an independent  
21 certified public accountant in accordance with generally  
22 accepted accounting principles, which clearly demonstrate the  
23 net worth of the association or its parent corporation to be  
24 \$100 million and a quarterly written certification to the office  
25 that such entity continues to maintain the net worth required  
26 under this paragraph.

27 2. The association's, or its parent corporation's, Form  
28 10-K, Form 10-Q, or Form 20-F as filed with the United States  
29 Securities and Exchange Commission or such other documents  
30 required to be filed with a recognized stock exchange, which  
31 shall be provided on a quarterly and annual basis within 10 days  
32 after the last date each such report must be filed with the  
33 Securities and Exchange Commission, the National Association of  
34 Security Dealers Automated Quotation system, or other recognized  
35 stock exchange.

36  
37 Failure to timely file the documents required under this  
38 paragraph may, at the discretion of the office, subject the  
39 association to suspension or revocation of its license under  
40 this part.

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41 Section 3. Subsection (5) is added to section 634.414,  
42 Florida Statutes, to read:

43 634.414 Forms; required provisions.—

44 (5) All contracts that include coverage for accidental  
45 damage from handling must be covered by the contractual  
46 liability policy referred to in s. 634.406(3), unless issued by  
47 an association not required to establish an unearned premium  
48 reserve or maintain contractual liability insurance under the  
49 provisions of s. 634.406(7).

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