

# FLORIDA HOUSE OF REPRESENTATIVES FINAL BILL ANALYSIS

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**BILL #:** [HB 99](#)

**TITLE:** Reinsurance Intermediary Managers

**SPONSOR(S):** Gentry

**COMPANION BILL:** [SB 394](#) (Leek)

**LINKED BILLS:** None

**RELATED BILLS:** None

**FINAL HOUSE FLOOR ACTION:** 111 Y's

1 N's

**GOVERNOR'S ACTION:**

Pending

## SUMMARY

### Effect of the Bill:

The bill exempts from insurance agency licensure requirements certain underwriting managers who manage reinsurers' facultative risks, which is a type of reinsurance in which each individual risk, such as a specific vehicle or home, is separately negotiated and covered. This exemption applies only if the facultative reinsurance business managed by the underwriting manager is less than 10 percent of the reinsurer's yearly premium income.

### Fiscal or Economic Impact:

The bill may have an indeterminate economic impact on the private sector.

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## ANALYSIS

### EFFECT OF THE BILL:

HB 99 passed as [SB 394](#).

The bill exempts underwriting managers from the [reinsurance intermediary manager](#) licensing requirements if those underwriting managers manage [facultative risks](#) for a reinsurer and the facultative [reinsurance](#) business managed by the underwriting manager is less than 10 percent of the assumed annual gross written premium of the reinsurer, which is the reinsurer's yearly premium income. (Section 1).

Currently, facultative reinsurance focuses on an insurer passing on individual risks to the reinsurer, with each risk being separately negotiated and covered. It often involves smaller volumes and more oversight by the reinsurer (as they need to approve coverage for each individual risk).

Subject to the Governor's veto powers, the effective date of this bill is July 1, 2026. (Section 3).

### FISCAL OR ECONOMIC IMPACT:

#### PRIVATE SECTOR:

The bill may have an indeterminate economic impact, as it will allow certain firms to operate as reinsurance intermediary managers without having to obtain a producer license.

## RELEVANT INFORMATION

### SUBJECT OVERVIEW:

#### [Reinsurance](#)

Reinsurance is a contract between a reinsurer and an insurer, in which the insurance company (known as the "cedent") transfers risk to the reinsurance company – who assumes all or part of one or more insurance policies issued by the cedent.<sup>1</sup> Reinsurance is commonly referred to as "insurance for insurance companies."<sup>2</sup>

<sup>1</sup> National Association of Insurance Commissioners (NAIC), *Reinsurance* (Oct. 24, 2025), <https://content.naic.org/insurance-topics/reinsurance> (last visited Jan. 29, 2026).

<sup>2</sup> *Id.*

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**DATE:** 3/26/2026

Reinsurance contracts may be negotiated directly between the insurer and reinsurer, or they may use a third party to enter into these arrangements – either a reinsurance broker or a reinsurance intermediary.<sup>3</sup> The main types of reinsurance are treaty and facultative.

**Treaty Reinsurance**

Treaty reinsurance allows an insurance company to transfer a portfolio of risks to a reinsurer. Treaty reinsurance implicates a broad, automatic coverage of classes of risk, rather than reinsurance of individual policies on a case-by-case basis.<sup>4</sup>

**Facultative Reinsurance**

In facultative reinsurance, the insurer presents a specific risk to a reinsurer.<sup>5</sup> The submission includes information about the risk so that the reinsurer can conduct a thorough underwriting assessment.<sup>6</sup> The reinsurer can then accept or decline the risk, and if they accept it, set the terms and pricing.<sup>7</sup> Unlike blanket agreements that cover multiple policies with different risk levels and characteristics, facultative reinsurance allows for more precise pricing and for terms that reflect the actual risk being covered.<sup>8</sup> Reinsurers are not obligated to accept all risks offered to them.<sup>9</sup>

**Reinsurance Intermediary Managers**

A reinsurance intermediary manager is a person that a reinsurer authorizes to run or make decisions about some or all of its reinsurance business. Florida law defines reinsurance intermediary manager as “any person who has authority to bind, or manages all or part of, the assumed reinsurance business of a reinsurer, including the management of a separate division, department, or underwriting office, and acts as a representative for the reinsurer whether known as a reinsurance intermediary manager, manager, or other similar term.”<sup>10</sup>

The following persons are not considered reinsurance intermediary managers for licensing purposes:<sup>11</sup>

- an employer of the reinsurer;
- a manager of the United States branch of an alien reinsurer;
- an underwriting manager which, pursuant to the contract, manages all the reinsurance operations of the reinsurer, is under common control with the reinsurer, subject to the holding company act, and whose compensation is not based on the volume of premiums written; or
- the manager of a group, association, pool, or organization of insurers which engage in joint underwriting or joint reinsurance and who are subject to examination by the insurance regulatory authority of the state in which the manager’s principal business office is located.

Under current law, a reinsurance intermediary manager must be a licensed producer.<sup>12</sup> Additionally, the Department of Financial Services (DFS) may require a reinsurance intermediary manager to file a bond from an insurer in an amount acceptable to DFS for the protection of the reinsurer, and maintain an errors and omissions insurance policy in an amount acceptable to DFS.<sup>13</sup>

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<sup>3</sup> *Id.*  
<sup>4</sup> International Risk Management Institute (IRMI), *Treaty Reinsurance*, <https://www.irmi.com/term/insurance-definitions/treaty-reinsurance> (last visited Jan. 29, 2026).  
<sup>5</sup> International Risk Management Institute (IRMI), *Facultative Reinsurance*, <https://www.irmi.com/term/insurance-definitions/facultative-reinsurance> (last visited Jan. 29, 2026).  
<sup>6</sup> *Id.*  
<sup>7</sup> *Id.*  
<sup>8</sup> *Id.*  
<sup>9</sup> *Id.*  
<sup>10</sup> [S. 626.7492\(2\)\(g\), F.S.](#)  
<sup>11</sup> *Id.*  
<sup>12</sup> [S. 626.7492\(3\)\(b\), F.S.](#)  
<sup>13</sup> [S. 626.7492\(2\)\(c\), F.S.](#)

Reinsurance intermediary managers also require an appointment from an insurer, and DFS may refuse, suspend, or revoke the appointment for the same grounds as they could for any other insurance representative under the Florida Insurance Code.<sup>14</sup>

Reinsurance intermediary managers are subject to examination by DFS and must allow DFS access to all books, bank accounts, and records of the reinsurance intermediary in a form usable to DFS.<sup>15</sup> A reinsurance intermediary manager may be examined as if it were the reinsurer.<sup>16</sup>

Current law authorizes DFS to issue reinsurance intermediary licenses, but does not require DFS to do so.<sup>17</sup> In 2023, the Bureau of Licensing, a unit of the Division of Insurance Agent and Agency Services within DFS, issued a memo notifying the industry that they would no longer offer licensing for Reinsurance Intermediary Brokers and Managers.<sup>18</sup> Instead, firms wanting to act as a reinsurance intermediary would be required to hold an insurance agency license and a Reinsurance Intermediary Broker or Reinsurance Intermediary Manager appointment.<sup>19</sup>

## Producers

A producer is an insurance agent or agents or any other person who aids in soliciting, negotiating, or procuring the making of any insurance contract on behalf of an insured other than the person.<sup>20</sup> In the context of reinsurance intermediaries, a producer may be a licensed agent, broker, or a person who has an insurance agency license that is appointed as a reinsurance intermediary.<sup>21</sup>

To obtain a reinsurance intermediary manager appointment, DFS requires an agency license.<sup>22</sup> To obtain an agency license, a person must have an agent-in-charge who is licensed and appointed in at least one of the following lines of authority:<sup>23</sup>

- General Lines.
- Health and Life including Variable Annuity.
- Health and Life.
- Health.
- Life Including Variable Annuity.
- Life.
- Personal Lines.
- Surplus Lines.

The applicant must then submit a completed application on the DFS website and get fingerprinted.<sup>24</sup>

<sup>14</sup> [S. 626.7492\(3\)\(f\), F.S.](#)

<sup>15</sup> [S. 626.7492\(10\)\(a\), F.S.](#)

<sup>16</sup> [S. 626.7492\(10\)\(b\), F.S.](#)

<sup>17</sup> [S. 626.7492\(3\)\(d\), F.S.](#)

<sup>18</sup> DFS, *Reinsurance Intermediary Brokers and Managers Appointment – Firms*, (July 1, 2023),

[https://www.myfloridacfo.com/docs-sf/insurance-agents-and-agency-services-libraries/agents-docs/licensure/agents-adjusters/00-65-68-firm-reinsurance-broker-manager-license.pdf?sfvrsn=6dbd95be\\_8](https://www.myfloridacfo.com/docs-sf/insurance-agents-and-agency-services-libraries/agents-docs/licensure/agents-adjusters/00-65-68-firm-reinsurance-broker-manager-license.pdf?sfvrsn=6dbd95be_8) (last visited Feb. 5, 2026).

<sup>19</sup> *Id.*

<sup>20</sup> S. 626.7491, F.S.

<sup>21</sup> S. 626.7492, F.S.

<sup>22</sup> Department of Financial Services, *supra* note 18.

<sup>23</sup> Department of Financial Services, *Resident and Non-Resident Insurance Agency License*, [https://myfloridacfo.com/docs-sf/insurance-agents-and-agency-services-libraries/agents-docs/licensure/agents-adjusters/21-05-insurance-agency-license.pdf?sfvrsn=141e2e51\\_6](https://myfloridacfo.com/docs-sf/insurance-agents-and-agency-services-libraries/agents-docs/licensure/agents-adjusters/21-05-insurance-agency-license.pdf?sfvrsn=141e2e51_6) (last visited Jan. 30, 2026).

<sup>24</sup> *Id.*