



924126

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/01/2015	.	
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The Committee on Judiciary (Soto) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 37 - 50

and insert:

statement of diligent effort from the retail or producing agent.  
However, to be in compliance with the diligent effort  
requirement, the surplus lines agent's reliance must be  
reasonable under the particular circumstances surrounding the  
export of that particular risk. ~~Reasonableness shall be assessed  
by taking into account factors which include, but are not  
limited to, a regularly conducted program of verification of the~~



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12 ~~information provided by the retail or producing agent.~~  
13 Declinations must be documented on a risk-by-risk basis. If it  
14 is not possible to obtain the full amount of insurance required  
15 by layering the risk, it is permissible to export the full  
16 amount.

17 Section 3. Paragraph (b) of subsection (1) of section  
18 627.971, Florida Statutes, is amended to read  
19 627.971 Definitions.—As used in this part:

20 (1)

21 (b) However, "financial guaranty insurance" does not  
22 include:

23 1. Insurance of a loss resulting from an event described in  
24 paragraph (a), if the loss is payable only upon the occurrence  
25 of any of the following, as specified in a surety bond,  
26 insurance policy, or indemnity contract:

27 a. A fortuitous physical event;

28 b. A failure of or deficiency in the operation of  
29 equipment; or

30 c. An inability to extract or recover a natural resource;

31 2. An individual or schedule public official bond;

32 3. A court bond required in connection with judicial,  
33 probate, bankruptcy, or equity proceedings, including a waiver,  
34 probate, open estate, or life tenant bond;

35 4. A bond running to a federal, state, county, municipal  
36 government, or other political subdivision, as a condition  
37 precedent to the granting of a license to engage in a particular  
38 business or of a permit to exercise a particular privilege;

39 5. A loss security bond or utility payment indemnity bond  
40 running to a governmental unit, railroad, or charitable



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41 organization;

42 6. A lease, purchase and sale, or concessionaire surety  
43 bond;

44 7. Credit unemployment insurance on a debtor in connection  
45 with a specific loan or other credit transaction, to provide  
46 payments to a creditor in the event of unemployment of the  
47 debtor for the installments or other periodic payments becoming  
48 due while a debtor is unemployed;

49 8. Credit insurance indemnifying a manufacturer, merchant,  
50 or educational institution which extends credit against loss or  
51 damage resulting from nonpayment of debts owed to her or him for  
52 goods or services provided in the normal course of her or his  
53 business;

54 9. Guaranteed investment contracts that are issued by life  
55 insurance companies and that provide that the life insurer will  
56 make specified payments in exchange for specific premiums or  
57 contributions;

58 10. Mortgage guaranty insurance as defined in s. 635.011(1)  
59 or s. 635.021;

60 11. Indemnity contracts or similar guaranties, to the  
61 extent that they are not otherwise limited or proscribed by this  
62 part, in which a life insurer guarantees:

63 a. Its obligations or indebtedness or the obligations or  
64 indebtedness of a subsidiary of which it owns more than 50  
65 percent, other than a financial guaranty insurance corporation,  
66 if:

67 (I) For any such obligations or indebtedness that are  
68 backed by specific assets, such assets are at all times owned by  
69 the insurer or the subsidiary; and



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70 (II) For the obligations or indebtedness of the subsidiary  
71 that are not backed by specific assets of the life insurer, the  
72 guaranty terminates once the subsidiary ceases to be a  
73 subsidiary; or

74 b. The obligations or indebtedness, including the  
75 obligation to substitute assets where appropriate, with respect  
76 to specific assets acquired by a life insurer in the course of  
77 normal investment activities and not for the purpose of resale  
78 with credit enhancement, or guarantees obligations or  
79 indebtedness acquired by its subsidiary, provided that the  
80 assets so acquired have been:

81 (I) Acquired by a special purpose entity where the sole  
82 purpose is to acquire specific assets of the life insurer or the  
83 subsidiary and issue securities or participation certificates  
84 backed by such assets; or

85 (II) Sold to an independent third party; or

86 c. The obligations or indebtedness of an employee or agent  
87 of the life insurer;

88 12. Any form of surety insurance as defined in s. 624.606;

89 13. Guarantees of higher education loans, unless written by  
90 a financial guaranty insurance corporation; or

91 14.13. Any other form of insurance covering risks which the  
92 office determines to be substantially similar to any of the  
93 foregoing.

94  
95 ===== T I T L E A M E N D M E N T =====

96 And the title is amended as follows:

97 Delete lines 5 - 7

98 and insert:



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99 of insurance; amending s. 626.916, F.S.; revising the  
100 required conditions for the export of insurance  
101 coverage to delete a provision specifying how  
102 reasonableness shall be assessed under certain  
103 circumstances; amending s. 627.971, F.S.; providing  
104 that the term "financial guaranty insurance" does not  
105 include guarantees of higher education loans unless  
106 written by a financial guaranty insurance corporation;  
107 amending s.