

Committee on Banking and Insurance

SB 812 — Reciprocal Insurers

by Senator Diaz de la Portilla

This bill creates an alternative process for a domestic reciprocal insurer to distribute unassigned funds, such as unused premiums, savings, and credits, to policyholders. The process created by the bill differs from current law primarily by not requiring the reciprocal insurer to create subscriber accounts to make distributions to policyholders. Distributions using this method may not exceed 50 percent of the insurer's net income from the previous calendar year and may be up to 10 percent of the insurer's surplus.

If approved by the Governor, these provisions take effect July 1, 2016.

Vote: Senate 36-0; House 117-0