

Bill No. CS for SB 1612

Amendment No.

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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11	Senator Diaz-Balart moved the following amendment:		
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13	Senate Amendment (with title amendment)		
14	On page 1, between lines 15 and 16,		
15			
16	insert:		
17	Section 1. Section 624.408, Florida Statutes, is		
18	amended to read:		
19	624.408 Surplus as to policyholders required; new and		
20	existing insurers.--		
21	(1)(a) To maintain a certificate of authority to		
22	transact any one kind or combinations of kinds of insurance,		
23	as defined in part V of this chapter, an insurer in this state		
24	shall at all times maintain surplus as to policyholders not		
25	less than the greater of:		
26	1. Except as provided in subparagraph 5. and paragraph		
27	(b), \$1.5 million;		
28	2. For life insurers, 4 percent of the insurer's total		
29	liabilities;		
30	3. For life and health insurers, 4 percent of the		
31	insurer's total liabilities plus 6 percent of the insurer's		

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1 liabilities relative to health insurance; or

2 4. For all insurers other than mortgage guaranty
3 insurers, life insurers, and life and health insurers, 10
4 percent of the insurer's total liabilities.

5 5. For property and casualty insurers, \$4 million.

6 (b) For any property and casualty insurer holding a
7 certificate of authority on December 1, 1993, the following
8 amounts apply instead of the \$4 million required by
9 subparagraph (a)5.:

10 1. On December 31, 1998, and until December 30, 1999,
11 \$2.25 million.

12 2. On December 31, 1999, and until December 30, 2000,
13 \$2.5 million.

14 3. On December 31, 2000, and until December 30, 2001,
15 \$2.75 million.

16 4. On December 31, 2001, and until December 30, 2002,
17 \$3 million.

18 5. On December 31, 2002, and until December 30, 2003,
19 \$3.25 million.

20 6. On December 31, 2003, and until December 30, 2004,
21 \$3.6 million.

22 7. On December 31, 2004, and thereafter, \$4 million.

23 (2) For purposes of this section, liabilities shall
24 not include liabilities required under s. 625.041(4). For
25 purposes of computing minimum surplus as to policyholders
26 pursuant to s. 625.305(1), liabilities shall include
27 liabilities required under s. 625.041(4).

28 (3) No insurer shall be required under this section to
29 have surplus as to policyholders greater than \$100 million.

30 (4) Mortgage guaranty insurers shall have and maintain
31 a minimum surplus as required by s. 635.042.

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1 Section 2. Section 635.042, Florida Statutes, is
2 amended to read:

3 635.042 Minimum surplus requirement ~~Limitation on~~
4 ~~outstanding liability.--~~

5 (1) A mortgage guaranty insurer must have and maintain
6 a minium surplus of not less than the greater of \$4 million or
7 10 percent of the insurer's total outstanding liabilities
8 other than the required contingency reserve. An insurer shall
9 not be required under this subsection to have a surplus as to
10 policyholders greater than \$100 million.

11 (2) A mortgage guaranty insurer must also possess
12 sufficient capital and surplus so that the total outstanding
13 aggregate exposure net of reinsurance under mortgage guaranty
14 policies written by the insurer does not exceed 25 times its
15 paid-in capital, surplus, and contingency reserve combined.
16 The audited financial reports required pursuant to s.
17 624.424(8) must disclose the total aggregate exposure net of
18 reinsurance under mortgage guaranty policies written by the
19 insurer.

20 (3) If a mortgage guaranty insurer is not in
21 compliance with this section, the department may take any
22 action against such insurer that the department may take
23 against an insurer that is not in compliance with s. 624.408.
24 ~~No mortgage guaranty insurer may at any time have outstanding~~
25 ~~a total liability net of reinsurance, under its aggregate~~
26 ~~mortgage guaranty insurance policies, exceeding 25 times its~~
27 ~~paid-in capital, surplus, and contingency reserve combined.~~

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29 (Redesignate subsequent sections.)
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1 ===== T I T L E A M E N D M E N T =====

2 And the title is amended as follows:

3 On page 1, line 2, delete that line

4

5 and insert:

6 An act relating to mortgage guaranty and
7 limited licenses insurance; amending s.
8 624.408, F.S.; providing a minimum surplus for
9 mortgage guaranty insurers; amending 635.042,
10 F.S.; providing for minimum surplus
11 requirements for mortgage guaranty insurers;
12 amending s.

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