

By the Committee on General Government Appropriations and
 Senator Baker

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1 A bill to be entitled
 2 An act relating to the Insurance Capital Build-Up
 3 Incentive Program; amending s. 215.5595, F.S.;
 4 requiring that repayments made by property insurers of
 5 surplus notes issued under the program be deposited
 6 into the General Revenue Fund; providing an effective
 7 date.

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 9 Be It Enacted by the Legislature of the State of Florida:

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 11 Section 1. Paragraph (f) of subsection (2) of section
 12 215.5595, Florida Statutes, is amended to read:

13 215.5595 Insurance Capital Build-Up Incentive Program.—

14 (2) The purpose of this section is to provide funds in
 15 exchange for surplus notes to be issued by new or existing
 16 authorized residential property insurers under the Insurance
 17 Capital Build-Up Incentive Program administered by the State
 18 Board of Administration, under the following conditions:

19 (f)1. The surplus note must be repayable to the state with
 20 a term of 20 years. The surplus note shall accrue interest on
 21 the unpaid principal balance at a rate equivalent to the 10-year
 22 U.S. Treasury Bond rate, require the payment only of interest
 23 during the first 3 years, and include such other terms as
 24 approved by the board. The board may charge late fees up to 5
 25 percent for late payments or other late remittances. Payment of
 26 principal, interest, or late fees by the insurer on the surplus
 27 note must be approved by the Commissioner of Insurance, who
 28 shall approve such payment unless the commissioner determines
 29 that such payment will substantially impair the financial

601-00101-09A

200928Ac1

30 condition of the insurer. If such a determination is made, the
31 commissioner shall approve such payment that will not
32 substantially impair the financial condition of the insurer.

33 2. Within 30 days after receiving principal, interest, and
34 late fees from insurers, the board shall deposit such moneys
35 into the General Revenue Fund.

36 Section 2. This act shall take effect upon becoming a law.