CS/CS/HB 413

1	A bill to be entitled
2	An act relating to title insurance; amending s.
3	627.778, F.S.; revising certain limitations on
4	assumption of risk by title insurers; authorizing a
5	title insurer to obtain reinsurance from an eligible
6	reinsurer; revising applicability; providing an
7	effective date.
8	
9	Be It Enacted by the Legislature of the State of Florida:
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11	Section 1. Paragraphs (a) and (c) of subsection (1) of
12	section 627.778, Florida Statutes, are amended to read:
13	627.778 Limit of risk
14	(1)(a) A title insurer may not issue any contract of title
15	insurance, either as a primary insurer or as a coinsurer or
16	reinsurer, upon an estate, lien, or interest in property located
17	in this state unless:
18	1. The contract shows on its face the dollar amount of the
19	risk assumed; and
20	2. The dollar amount of the risk assumed does not exceed
21	one-half of its surplus as to policyholders, unless the excess
22	is simultaneously reinsured in one or more <u>authorized</u> approved
23	insurers or one or more reinsurers that meet the requirements of
24	<u>s. 624.610</u> .
25	(c) This subsection does not prohibit:
26	1. The simultaneous issuance of policies insuring
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different estates, liens, or interests in the same property, if each of the simultaneous policies excepts the paramount estates, liens, or interests to which the insured estate, lien, or interest is subject and if each of the simultaneous policies conforms to this subsection.

32 2. Ceding portions of the total risk to authorized 33 insurers <u>or reinsurers that meet the requirements of s. 624.610</u>. 34 Insurance ceded, including coinsurance effected, is a retention 35 of risk by the insurer assuming the ceded risk, and not by the 36 insurer ceding the risk.

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Section 2. This act shall take effect July 1, 2016.

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