

ENROLLED

CS/CS/HB 413

2016 Legislature

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An act relating to title insurance; amending s. 627.778, F.S.; revising certain limitations on assumption of risk by title insurers; authorizing a title insurer to obtain reinsurance from an eligible reinsurer; revising applicability; providing an effective date.

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

Section 1. Paragraphs (a) and (c) of subsection (1) of section 627.778, Florida Statutes, are amended to read:

627.778 Limit of risk.—

(1)(a) A title insurer may not issue any contract of title insurance, either as a primary insurer or as a coinsurer or reinsurer, upon an estate, lien, or interest in property located in this state unless:

1. The contract shows on its face the dollar amount of the risk assumed; and

2. The dollar amount of the risk assumed does not exceed ~~one-half of~~ its surplus as to policyholders, unless the excess is simultaneously reinsured in one or more authorized ~~approved~~ insurers or one or more reinsurers that meet the requirements of s. 624.610.

(c) This subsection does not prohibit:

1. The simultaneous issuance of policies insuring

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27 | different estates, liens, or interests in the same property, if
28 | each of the simultaneous policies excepts the paramount estates,
29 | liens, or interests to which the insured estate, lien, or
30 | interest is subject and if each of the simultaneous policies
31 | conforms to this subsection.

32 | 2. Ceding portions of the total risk to authorized
33 | insurers or reinsurers that meet the requirements of s. 624.610.
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.

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