

Committee Substitute for Senate Bill No. 28-A

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

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

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

215.5595 Insurance Capital Build-Up Incentive Program.—

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

(f)~~1~~. The surplus note must be repayable to the state with a term of 20 years. The surplus note shall accrue interest on the unpaid principal balance at a rate equivalent to the 10-year U.S. Treasury Bond rate, require the payment only of interest during the first 3 years, and include such other terms as approved by the board. The board may charge late fees up to 5 percent for late payments or other late remittances. Payment of principal, interest, or late fees by the insurer on the surplus note must be approved by the Commissioner of Insurance, who shall approve such payment unless the commissioner determines that such payment will substantially impair the financial condition of the insurer. If such a determination is made, the commissioner shall approve such payment that will not substantially impair the financial condition of the insurer.

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

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

Approved by the Governor January 27, 2009.

Filed in Office Secretary of State January 27, 2009.