

Council Substitute for Committee Substitute for
Committee Substitute for House Bill No. 569

An act relating to financial instruments; amending s. 17.57, F.S.; deleting a provision relating to concurrent deposits by a unit of local government and customers of other federally insured financial institutions; requiring that the Chief Financial Officer and local governments deposit surplus funds in financial deposit instruments insured by the Federal Deposit Insurance Corporation rather than in certificates of deposit; amending s. 218.415, F.S.; requiring that the Chief Financial Officer and local governments deposit surplus funds in financial deposit instruments insured by the Federal Deposit Insurance Corporation rather than in certificates of deposit; deleting a provision relating to concurrent deposits by a unit of local government and customers of other federally insured financial institutions; amending s. 532.01, F.S.; including payroll debit cards under requirements applicable to payment instruments; amending s. 215.555, F.S.; revising the dates of an insurer's contract year for purposes of calculating the insurer's retention; revising reimbursement contract coverage payment provisions; extending application of provisions relating to reimbursement contracts; providing an effective date.

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

Section 1. Subsection (7) of section 17.57, Florida Statutes, is amended to read:

17.57 Deposits and investments of state money.—

(7) In addition to the deposits authorized under this section and notwithstanding any other provisions of law, funds that are not needed to meet the disbursement needs of the state may be deposited by the Chief Financial Officer in accordance with the following conditions:

(a) The funds are initially deposited in a qualified public depository, as defined in s. 280.02, selected by the Chief Financial Officer.

(b) The selected depository arranges for depositing the deposit of the funds in financial deposit instruments insured by the Federal Deposit Insurance Corporation ~~certificates of deposit~~ in one or more federally insured banks or savings and loan associations, wherever located, for the account of the state.

(c) The full amount of ~~the principal and accrued interest of each~~ financial deposit instrument ~~such certificate of deposit~~ is insured by the Federal Deposit Insurance Corporation.

(d) The selected depository acts as custodian for the state with respect to each financial deposit instrument ~~such certificates of deposit~~ issued for its account.

~~(e) At the same time the state's funds are deposited and the certificates of deposit are issued, the selected depository receives an amount of deposits from customers of other federally insured financial institutions, wherever located, equal to or greater than the amount of the funds initially invested by the Chief Financial Officer through the selected depository.~~

Section 2. Paragraphs (b), (c), (d), and (e) of subsection (23) of section 218.415, Florida Statutes, are amended to read:

218.415 Local government investment policies.—Investment activity by a unit of local government must be consistent with a written investment plan adopted by the governing body, or in the absence of the existence of a governing body, the respective principal officer of the unit of local government and maintained by the unit of local government or, in the alternative, such activity must be conducted in accordance with subsection (17). Any such unit of local government shall have an investment policy for any public funds in excess of the amounts needed to meet current expenses as provided in subsections (1)-(16), or shall meet the alternative investment guidelines contained in subsection (17). Such policies shall be structured to place the highest priority on the safety of principal and liquidity of funds. The optimization of investment returns shall be secondary to the requirements for safety and liquidity. Each unit of local government shall adopt policies that are commensurate with the nature and size of the public funds within its custody.

(23) AUTHORIZED DEPOSITS.—In addition to the investments authorized for local governments in subsections (16) and (17) and notwithstanding any other provisions of law, a unit of local government may deposit any portion of surplus public funds in its control or possession in accordance with the following conditions:

(b) The selected depository arranges for depositing the deposit of the funds in financial deposit instruments insured by the Federal Deposit Insurance Corporation ~~certificates of deposit~~ in one or more federally insured banks or savings and loan associations, wherever located, for the account of the unit of local government.

(c) The full amount of ~~the~~ principal and accrued interest of each financial deposit instrument ~~such certificate of deposit~~ is insured by the Federal Deposit Insurance Corporation.

(d) The selected depository acts as custodian for the unit of local government with respect to each financial deposit instrument ~~such certificates of deposit~~ issued for its account.

~~(e) At the same time the unit of local government's funds are deposited and the certificates of deposit are issued, the selected depository receives an amount of deposits from customers of other federally insured financial institutions, wherever located, equal to or greater than the amount of the funds initially invested by the unit of local government through the selected depository.~~

Section 3. Section 532.01, Florida Statutes, is amended to read:

532.01 Payment by check, draft, or other order for payment.—Any order, check, draft, note, memorandum, payroll debit card, or other acknowledgment of indebtedness issued in payment of wages or salary due or to become due must be negotiable and payable in cash, on demand, without discount, at some established place of business in the state, the name and address of which must appear on the instrument or in the payroll debit card issuing materials, and at the time of its issuance, and for a reasonable time thereafter, which must be at least 30 days, the maker or drawer must have sufficient funds or credit, arrangement, or understanding with the drawee for its payment.

Section 4. Paragraph (b) of subsection (4) of section 215.555, Florida Statutes, is amended to read:

215.555 Florida Hurricane Catastrophe Fund.—

(4) REIMBURSEMENT CONTRACTS.—

(b)1. The contract shall contain a promise by the board to reimburse the insurer for 45 percent, 75 percent, or 90 percent of its losses from each covered event in excess of the insurer's retention, plus 5 percent of the reimbursed losses to cover loss adjustment expenses.

2. The insurer must elect one of the percentage coverage levels specified in this paragraph and may, upon renewal of a reimbursement contract, elect a lower percentage coverage level if no revenue bonds issued under subsection (6) after a covered event are outstanding, or elect a higher percentage coverage level, regardless of whether or not revenue bonds are outstanding. All members of an insurer group must elect the same percentage coverage level. Any joint underwriting association, risk apportionment plan, or other entity created under s. 627.351 must elect the 90-percent coverage level.

3. The contract shall provide that reimbursement amounts shall not be reduced by reinsurance paid or payable to the insurer from other sources.

4. Notwithstanding any other provision contained in this section, the board shall make available to insurers that purchased coverage provided by this subparagraph in ~~2008~~ 2007, insurers qualifying as limited apportionment companies under s. 627.351(6)(c), and insurers that have been approved to participate in the Insurance Capital Build-Up Incentive Program pursuant to s. 215.5595 a contract or contract addendum that provides an additional amount of reimbursement coverage of up to \$10 million. The premium to be charged for this additional reimbursement coverage shall be 50 percent of the additional reimbursement coverage provided, which shall include one prepaid reinstatement. The minimum retention level that an eligible participating insurer must retain associated with this additional coverage layer is 30 percent of the insurer's surplus as of ~~December 31, 2008~~, for the 2009-2010 contract year; as of December 31, 2009, for the contract year beginning June 1, 2010, and ending December 31, 2010; and as of December 31, 2010, for the 2011 contract year ~~2007~~. This coverage shall be in addition to all other coverage that may be provided under this section. The

coverage provided by the fund under this subparagraph shall be in addition to the claims-paying capacity as defined in subparagraph (c)1., but only with respect to those insurers that select the additional coverage option and meet the requirements of this subparagraph. The claims-paying capacity with respect to all other participating insurers and limited apportionment companies that do not select the additional coverage option shall be limited to their reimbursement premium's proportionate share of the actual claims-paying capacity otherwise defined in subparagraph (c)1. and as provided for under the terms of the reimbursement contract. The optional coverage retention as specified shall be accessed before the mandatory coverage under the reimbursement contract, but once the limit of coverage selected under this option is exhausted, the insurer's retention under the mandatory coverage shall apply. This coverage shall apply and be paid concurrently with the mandatory coverage. ~~Coverage provided in the reimbursement contract shall not be affected by the additional premiums paid by participating insurers exercising the additional coverage option allowed in this subparagraph.~~ This subparagraph expires on ~~December~~ May 31, 2011 2009.

Section 5. This act shall take effect July 1, 2009.

Approved by the Governor June 10, 2009.

Filed in Office Secretary of State June 10, 2009.