

## CHAPTER 2010-56

### House Bill No. 661

An act relating to minimum surplus requirements for mortgage guaranty insurers; amending s. 635.042, F.S.; authorizing the Commissioner of Insurance Regulation to permit a temporary exception to certain requirements under certain circumstances; revising authority of the Office of Insurance Regulation to take action against a noncomplying insurer under certain circumstances; providing an effective date.

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

Section 1. Section 635.042, Florida Statutes, is amended to read:

635.042 Minimum surplus requirement.—

(1) A mortgage guaranty insurer shall maintain a minimum surplus of not less than the greater of \$4 million or 10 percent of the insurer's total outstanding liabilities other than the required contingency reserve. A mortgage guaranty insurer is not required to have a surplus as to policyholders greater than \$100 million.

(2) A mortgage guaranty insurer must possess sufficient capital and surplus so that the total outstanding aggregate exposure net of reinsurance under mortgage guaranty policies written by the insurer does not exceed 25 times its paid-in capital, surplus, and contingency reserve combined. A mortgage guaranty insurer shall disclose in the audited financial reports required under s. 624.424(8), the total aggregate exposure net of reinsurance under mortgage guaranty policies written by the insurer. The Commissioner of Insurance Regulation may permit a temporary exception to the requirements of this subsection at the written request of a mortgage guaranty insurer upon a finding that the mortgage guaranty insurer's financial position is reasonable in relationship to the mortgage guaranty insurer's aggregate insured risk and financial needs.

(3) If a mortgage guaranty insurer is not in compliance with this section and has not been permitted an exception as provided in subsection (2), the office may take any action against the insurer that the office may take against an insurer that is not in compliance with s. 624.408.

Section 2. This act shall take effect July 1, 2010.

Approved by the Governor May 11, 2010.

Filed in Office Secretary of State May 11, 2010.