

CHAPTER 2016-168

Senate Bill No. 812

An act relating to reciprocal insurers; amending s. 629.271, F.S.; authorizing domestic reciprocal insurers to pay a portion of unassigned funds to their subscribers; providing limitations; providing an effective date.

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

Section 1. Section 629.271, Florida Statutes, is amended to read:

629.271 Distribution of savings.—

(1) A reciprocal insurer may ~~from time to time~~ return to its subscribers any unused premiums, savings, or credits accruing to their accounts. ~~Any~~ Such distribution may ~~shall~~ not unfairly discriminate between classes of risks, or policies, or between subscribers, but ~~such distribution~~ may vary as to classes of subscribers based on ~~upon~~ the experience of the ~~such~~ classes.

(2) In addition to the option provided in subsection (1), a domestic reciprocal insurer may, upon the prior written approval of the office, pay to its subscribers a portion of unassigned funds of up to 10 percent of surplus, with distribution limited to 50 percent of net income from the previous calendar year. Such distribution may not unfairly discriminate between classes of risks or policies, or between subscribers, but may vary as to classes of subscribers based on the experience of the classes.

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

Approved by the Governor April 1, 2016.

Filed in Office Secretary of State April 1, 2016.