

CHAPTER 2016-82

Committee Substitute for Committee Substitute for House Bill No. 413

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

2. Ceding portions of the total risk to authorized insurers or reinsurers that meet the requirements of s. 624.610. Insurance ceded, including coinsurance effected, is a retention of risk by the insurer assuming the ceded risk, and not by the insurer ceding the risk.

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

Approved by the Governor March 24, 2016.

Filed in Office Secretary of State March 24, 2016.