

Committee Substitute for House Bill No. 311

An act relating to industrial insured captive insurers; amending s. 628.903, F.S.; specifying requirements for industrial insureds of an industrial insured captive insurer; providing an additional requirement for industrial insured captive insurers; providing an effective date.

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

Section 1. Section 628.903, Florida Statutes, is amended to read:

628.903 “Industrial insured captive insurer” defined.—For purposes of this part:

- (1) An “industrial insured” means an insured which:
 - (a) Has gross assets in excess of \$50 million;
 - (b) Procures insurance through the use of a full-time employee of the insured who acts as an insurance manager or buyer or through the services of a person licensed as a property and casualty insurance agent, broker, or consultant in such person’s state of domicile;
 - (c) Has at least 100 full-time employees; and
 - (d) Pays annual premiums of at least \$200,000 for each line of insurance purchased from the industrial insured captive insurer or at least \$75,000, with respect to any line of coverage excess of at least \$25 million in the annual aggregate. The purchase of umbrella or general liability coverage excess of \$25 million in the annual aggregate shall be deemed to be the purchase of a single line of insurance.
- (2) An “industrial insured captive insurer” is a captive insurer that:
 - (a) Has as its stockholders or members only industrial insureds that are reinsured pursuant to subparagraph (b)2. or insured by the industrial insured captive insurer, or has as its sole stockholder a corporation, which corporation’s sole stockholders are industrial insureds that are reinsured pursuant to subparagraph (b)2. or insured by the industrial insured captive insurer; and
 - (b)1. Provides insurance only to the industrial insureds that are its stockholders or members, and affiliates thereof, or to the stockholders, and affiliates thereof, of its parent corporation; or
 2. Provides reinsurance to insurers only on risks written by such insurers for the industrial insureds who are the stockholders or members, and affiliates thereof, of the industrial insured captive insurer, or the stockholders, and affiliates thereof, of the parent corporation of the industrial insured captive insurer; and

(c) Maintains unimpaired capital and surplus of at least \$20 million.

For the purposes of this paragraph, the term “affiliate” means a person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with one or more of the stockholders or members of the industrial insured captive insurer or one or more of the stockholders of the parent corporation of the industrial insured captive insurer.

(3) Each industrial insured of an industrial insured captive insurer licensed in this state prior to December 31, 1999, or any subsidiary formed by the licensed insurer after December 31, 1999, shall have:

(a) Gross assets in excess of \$10 million and procure insurance through the use of a full-time employee of the insured who acts as an insurance manager or buyer or through the services of a person licensed as a property and casualty insurance agent, broker, or consultant in such person’s state of domicile.

(b) At least 25 full-time employees.

(c) Annual aggregate premiums for all insurance risks that total at least \$100,000.

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

Approved by the Governor April 24, 2000.

Filed in Office Secretary of State April 24, 2000.