

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Santiago offered the following:

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3 **Amendment (with title amendment)**

4 Between lines 178 and 179, insert:

5 Section 3. Subsection (3) of section 625.151, Florida  
6 Statutes, is amended to read:

7 625.151 Valuation of other securities.—

8 (3) Stock of a subsidiary corporation of an insurer shall  
9 not be valued at an amount in excess of the net value thereof as  
10 based upon those assets only of the subsidiary which would be  
11 eligible under part II for investment of the funds of the  
12 insurer directly.

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13 (a) If the surplus as to policyholders of an insurer  
14 including investments in subsidiaries does not exceed \$100  
15 million, investments in subsidiaries and related corporations as  
16 defined in s. 625.325, including common stock, preferred stock,  
17 debt obligations, other securities, and loans to such  
18 corporations, shall be valued in an amount which in the  
19 aggregate does not exceed the lesser of:

- 20 1. Ten percent of the insurer's admitted assets; or
- 21 2. Fifty percent of the insurer's surplus as to  
22 policyholders in excess of the minimum surplus as to  
23 policyholders required under this code.

24 (b) If the surplus as to policyholders of an insurer  
25 including investments in subsidiaries is \$100 million or more,  
26 investments in subsidiaries and related corporations as defined  
27 in s. 625.325, including common stock, preferred stock, debt  
28 obligations, other securities, and loans to such corporations,  
29 shall be valued in an amount which in the aggregate does not  
30 exceed 25 percent of the insurer's admitted assets.

31 (c) This subsection does not apply to any investment by a  
32 foreign insurer domiciled in a state that is accredited by the  
33 National Association of Insurance Commissioners, provided such  
34 investment in a subsidiary or related corporation is permitted  
35 under the laws of its state of domicile.

36 Section 4. Subsection (2) of section 625.325, Florida  
37 Statutes, is amended to read:

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38 625.325 Investments in subsidiaries and related  
39 corporations.—

40 (2) ADDITIONAL INVESTMENT AUTHORITY.—

41 (a) In addition to investments in common stock, preferred  
42 stock, debt obligations, and other securities permitted under  
43 all other sections of this chapter, an insurer may also invest  
44 and maintain investments in common stock, preferred stock, debt  
45 obligations, and other securities of one or more subsidiaries or  
46 related corporations. At the time any such new or additional  
47 investment is made, the sum of the insurer's cost of such  
48 investment and the aggregate values as permitted by s.

49 625.151(3) of all existing investments in such corporations  
50 shall not exceed the lesser of:

51 1.~~(a)~~ Ten percent of the insurer's admitted assets; or

52 2.~~(b)~~ Fifty percent of the insurer's surplus as to  
53 policyholders in excess of the minimum surplus as to  
54 policyholders required to be maintained by the insurer under  
55 this code.

56 (b) This subsection does not apply to any investment by a  
57 foreign insurer domiciled in a state that is accredited by the  
58 National Association of Insurance Commissioners if:

59 1. Such investment in a subsidiary or related corporation  
60 is permitted under the laws of its state of domicile; and

61 2. Such investments in subsidiaries or related  
62 corporations are rated by a nationally recognized statistical

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63 rating organization or the Securities Valuation Office of the  
 64 National Association of Insurance Commissioners and such  
 65 securities meet the requirements for the Securities Valuation  
 66 Office's filing exempt rule, if they are not filed with the  
 67 Securities Valuation Office, provided such affiliated  
 68 investments are valued on the insurer's balance sheet at a  
 69 Securities Valuation Office equivalent rating of not greater  
 70 than 3.

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**T I T L E   A M E N D M E N T**

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Remove line 7 and insert:

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compensation insurance; amending s. 625.151, F.S.;

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providing an exemption from a limit on the valuation of

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subsidiary corporations for certain foreign insurers

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domiciled in states that are accredited by the National

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Association of Insurance Commissioners; amending s.

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625.325, F.S.; providing exemptions from certain limits on

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investments in subsidiaries and related corporations for

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investments by certain foreign insurers meeting specified

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requirements; amending s. 627.062, F.S.;

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