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FOR IMMEDIATE RELEASE

Bill will Modernize Marketplace for Florida’s Risk-takers *Surplus Lines Insurance Association Supports Free-market Changes*

TALLAHASSEE, Fla. (Wednesday, Feb. 20, 2019) – Florida is one of the *top three* consumers of surplus lines insurance in the country. As the state focuses on attracting jobs and welcoming opportunity, the surplus lines insurance industry is helping Florida’s economy grow by offering a “safety valve” in the insurance marketplace. The industry helps to mitigate the downside of opportunities by accepting business risks that are distressed, unique and/or high-capacity. And with proposed policy changes in 2019, the marketplace for Florida’s “risk takers” is about to undergo a long-overdue modernization.

The Florida House Banking and Insurance Committee today unanimously passed House Bill 387 on Nonadmitted Insurance Markets by Rep. Colleen Burton, R-Lakeland – the bill includes needed modernizations to Florida’s surplus lines regulatory framework.

“Surplus lines insurance is necessary to promote growth and allow Floridians to enjoy and benefit from enterprises that often come with higher risks: think tourism and entertainment, construction, research and innovation and job creation,” said **Erin O’Leary, President, FSLA**. “Surplus lines insurance provides security for entrepreneurs to dream bigger with the comfort of knowing they have insurance.”

Surplus lines insurers tailor their rates and forms to address the unique needs of each client, usually when their clients’ needs do not fit within the traditional appetite of the “admitted insurance” market. In 1982 a fee cap of \$35.00 was arbitrarily established to compensate surplus lines agents for the process and compliance activities required by the state. Today, Florida is one of only six states to cap its policy fee, regardless of the complexity of the work or time spent by the insuring agent.

House Bill 387:

- Removes the prescriptive statutory capped fee and replaces the cap with a requirement that the fee be reasonable. The fee must be separately stated before policy purchase so that the retail agent and the customer can see it clearly and use that information to shop and find the most competitive terms to address their clients' unique risks.
- Removes an outdated regulatory paperwork requirement that technology replaced and,
- Ensures that Florida's private flood market will continue to offer additional options for the millions of households without this important coverage.

“House Bill 387 will modernize the marketplace in a way that helps the surplus lines industry better support and insure Florida's risk-takers, meaning large and small business owners across Florida,” added **O'Leary**.

About FSLA:

The Florida Surplus Lines Association (FSLA) represents excess and surplus lines agency member firms and associate members in Florida. Over the past 50 years, FSLA has promoted the regulatory and legislative interests of FSLA members and the Florida surplus lines industry, with a focus on supporting opportunities and insuring risks throughout Florida. The Florida Surplus Lines Association (FSLA) serves as a voice and a resource for its members and is consistently recognized for being one of the most active in the nation, ranking among the top three surplus lines associations in the country. Learn more at www.myFSLA.com.

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