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Florida House Passes Bill to Modernize Marketplace for Florida's Risk Takers

Free-market Changes Backed by Florida Surplus Lines Insurance Association

TALLAHASSEE, Fla. (Friday, March 29, 2019) – The Florida House of Representatives spoke loudly with a 112-1 vote Wednesday evening, approving a bill that will modernize the insurance market for Florida's risk takers. House Bill 387, by Rep. Colleen Burton, R-Lakeland, has now been sent to the Senate, which is considering its own version of the bill.

Senate Bill 538 by Senator Jeff Brandes, R-St. Petersburg, will also make important updates to the regulatory framework for Florida's surplus lines insurance industry. Surplus lines are necessary to promote growth and allow Floridians to enjoy and benefit from enterprises that often come with higher risks, such as tourism and entertainment, construction, research and innovation and job creation.

The Florida Surplus Lines Association (FSLA) says this legislation is a welcome sight for an industry supporting opportunities and insuring risks behind the scenes for large and small business owners across Florida.

"Surplus lines insurance is a safety valve for some of the most exciting and economically beneficial businesses in our state, yet it has been operating under 1980s-style regulations," **said FSLA President Erin O'Leary of Shelly, Middlebrooks & O'Leary, Inc. in Jacksonville, Florida.** "We're grateful to see lawmakers prioritizing updates that will increase efficiency and reduce unnecessary regulatory burdens."

Senate Bill 538 and House Bill 387 will:

- Remove 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.
- Remove an outdated regulatory paperwork requirement that technology replaced and,
- Ensure that Florida's private flood market will continue to offer additional options for the millions of households without this important coverage.

The bill's Senate companion, SB 538, passed from the Senate Banking & Insurance Committee on March 11. It is assigned and must be voted on in both the Senate Appropriations Subcommittee on Agriculture, Environment, and General Government and the Senate Appropriations Committee prior to a floor vote.

About FSLA:

The Florida Surplus Lines Association (FSLA) is an association representing 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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