



**CONTACT:** Allison Aubuchon, APR  
[communications@allisonaubuchon.com](mailto:communications@allisonaubuchon.com) | 850.766.5255

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## **Governor Signs Modernizations to Surplus Lines Insurance Industry into Law**

*FSLA Applauds Free-market Changes for Florida's Risk Takers*

**TALLAHASSEE, Fla.** (Tuesday, June 18, 2019) – Florida Governor Ron DeSantis today signed into law modernizations to the regulatory framework of Florida's surplus lines insurance industry. The signing of House Bill 301 makes two important changes for the surplus lines insurance industry.

The bill removes the surplus lines insurance industry's prescriptive statutory capped fee, replacing the cap with a requirement that the fee be reasonable, compatible with the majority of other states. This change will make the market more competitive, particularly for smaller and mid-sized businesses. The fee must now be separately stated before policy purchase so the retail agent and the customer can see it clearly, and so that agents can use that information to shop and find the best insurance solution for their clients' unique risks. House Bill 301 also addresses the threshold for exporting insurance in a manner that will give property owners more options. Changes are to take effect July 1, 2019.

"We're thrilled to see these pro-market changes becoming law with the Governor's support," **said Michael J. Franzese, President-Elect for FSLA.** "It is critically important that the fourth largest state in the country have a vibrant insurance marketplace that meets the needs of the many different facets of our diverse state. We're grateful our lawmakers and Governor supported policies that ensure a strong admitted insurance marketplace, as well as a competitive surplus lines marketplace to back it up. This is good for Florida businesses, large and small, as well as the millions of Floridians who support our economy."

"We appreciate the support from the surplus lines community and our partnership with WSIA in passing this legislative reform," **added Erin O'Leary, FSLA President.**

**Background:**

- Florida is one of the top three consumers of surplus lines insurance in the country: the industry writes over \$2 billion in premiums worth of commercial property coverage annually in Florida, covering a tremendous amount of brick and mortar businesses, such as retail, hotels, and restaurants.
- Surplus lines insurance is necessary and “different,” covering risks related to cyber security, tourism and entertainment, innovation, job creation and experiments with research and technology.
- It writes nearly \$1 billion annually in premium for commercial general liability, offering Florida’s risk takers the comfort they need to go out and start businesses, create products, and employ their neighbors.
- According to the Florida Surplus Lines Service Office, there are 1,079 surplus lines agents in Florida actively writing policies.

***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](http://www.myFSLA.com).

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