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FOR IMMEDIATE RELEASE

Florida Legislature Passes Modernizations to Surplus Lines Insurance Industry

FSLA Applauds Work to Modernize Marketplace for Florida's Risk Takers

TALLAHASSEE, Fla. (Friday, May 3, 2019) – The Florida Legislature today approved modernization to the regulatory framework of Florida's surplus lines insurance industry. The language is heading to the desk of Governor Ron DeSantis with the passage of House Bill 301 today -- among its provisions, this omnibus insurance legislation includes language previously passed by the House in House Bill 387 by Representative Colleen Burton, R-Lakeland, and which was included in Senate Bill 538, sponsored by Senator Jeff Brandes, R-St. Petersburg. House Bill 301 and its companion, Senate Bill 714, were sponsored by Representative David Santiago, R-Deltona, and Senator Brandes.

“This is great news for the surplus lines insurance industry and ultimately Florida businesses of every size,” **said FSLA President Elect Michael Franzese of R-T Specialty in Tampa, Florida.** “As our industry has modernized over the years, keeping up with technology and new industries, the laws surrounding us had not. These changes will help us operate efficiently and promote a growing Florida economy. We are grateful to both Senator Brandes and Representative Burton for recognizing that our industry needed these updates to best serve and support Florida businesses.”

House Bill 301 will remove 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 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.

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.

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