



INFORMATIONAL MEMORANDUM

OIR-11-05M

ISSUED

July 1, 2011

Florida Office of Insurance Regulation

Kevin M. McCarty, Commissioner

All Residential Property Insurers in the State of Florida

Changes to the Minimum Surplus as to Policyholders' Requirements

The purpose of this memorandum is to notify insurers of the legislative amendment to Section 624.407, Florida Statutes, regarding surplus required for domestic insurers to receive authority to transact residential property insurance, and the amendment to Section 624.408, F.S, regarding surplus required for property and casualty insurers authorized to underwrite any line of residential property insurance to maintain a certificate of authority.

Senate Bill 408: For a copy of the bill, click [here](#).

This bill became effective May 17, 2011.

Section 624.407(1)(e)1, F.S., as amended now provides that the surplus required for **new domestic** property and casualty insurers to receive authority to transact residential property insurance and is not a wholly owned subsidiary of an insurer domiciled in any other state, is **\$15 million**.

Section 624.408(1)(f), F.S., as amended now provides that the surplus required to maintain a certificate of authority for property and casualty insurers **authorized to underwrite any line of residential property insurance** not holding a certificate of authority before July 1, 2011, is **\$15 million**.

Section 624.408(1)(g), F.S., as amended now provides that the surplus required to maintain a certificate of authority for property and casualty insurers authorized to underwrite **any line of residential property insurance** holding a certificate of authority before July 1, 2011, and until June 30, 2016, **\$5 million**; on or after July 1, 2016, and until June 30, 2021, **\$10 million**; on or after July 1, 2021, **\$15 million**.

However, please note that all property and casualty insurers writing residential property insurance must also maintain a surplus of 10% of liabilities, if greater than the minimum surplus requirement. The new requirements are in addition to other solvency and regulatory requirements applicable to property and casualty insurers.

Section 215.555(2)(c), F.S. provides that residential property coverage means any insurance policy covering both personal lines residential and commercial lines residential property in this state, including, but not limited to, any homeowner's, mobile home owner's, farm owner's, condominium association, condominium unit owner's, dwelling, tenant's, or apartment building policy, or any other policy covering a residential structure or its contents.

If you have any questions regarding the contents of this Memorandum, please contact Property and Casualty Financial Oversight at 850-413-3148.