

Security Deposit Requirements—Exclusions for Real Estate, Mortgages; SB 267

SB 267 amends a provision in the Insurance Code pertaining to security deposits to exclude real estate and mortgages from assets required to be deposited with the Insurance Commissioner and require the submission of an authorized signature form prior to the acceptance of any deposit.

Under the prior law, all cash, securities, real estate deeds and mortgages, or other assets deposited with the Commissioner were required to be deposited with a financial institution acceptable to the Commissioner. With enactment of the bill, real estate and mortgages are excluded from this requirement.

The bill also requires an authorized signature form to be submitted to the Commissioner prior to acceptance of any deposit. The signature on this form is required to be the original handwritten name of each signee and cannot be a copy, facsimile, electronic or digital signature.