

By Senator Thomas

3-1309-99

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

A bill to be entitled
An act relating to workers' compensation;
amending s. 440.49, F.S.; deleting the
prohibition against the administrator
contracted to review claims of the Special
Disability Trust Fund and the qualified entity
assuming obligations of the fund being
affiliates of one another or having agreements;
providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (b) of subsection (13) of section
440.49, Florida Statutes, 1998 Supplement, is amended to read:

440.49 Limitation of liability for subsequent injury
through Special Disability Trust Fund.--

(13) SPECIAL DISABILITY TRUST FUND PRIVATIZATION
COMMISSION.--

(b) Consistent with the closing of the fund provided
in subsection (11), the Special Disability Trust Fund
Privatization Commission is authorized to contract with an
administrator to review, allow, deny, compromise, controvert,
and litigate claims of the Special Disability Trust Fund under
this section. The commission, in consultation with the
division, is authorized to contract with a qualified entity to
assume the reimbursement obligations of the Special Disability
Trust Fund for claims which have previously been accepted for
reimbursement by the Special Disability Trust Fund and claims
which are determined to be reimbursable by the Special
Disability Trust Fund. ~~The qualified entity and the
administrator shall not be affiliates of the other, and shall~~

1 ~~not establish or maintain a financial or contractual agreement~~
2 ~~with each other for purposes of this section.~~On or before
3 July 1, 1999, the commission, in consultation with the
4 division, may develop and issue a request for proposal for the
5 transfer and assumption of liabilities, and administration of
6 certain functions related to claims of the Special Disability
7 Trust Fund. The administrator shall have experience in
8 workers' compensation claims management of sufficient scope
9 and size to undertake the duties and responsibilities of this
10 section and shall demonstrate the ability to meet the criteria
11 established by the commission, which shall include the ability
12 to substantially reduce the overall costs of reviewing and
13 reimbursing claims, and to settle and extinguish the
14 liabilities of the Special Disability Trust Fund in a more
15 cost-efficient and more timely manner than presently provided
16 by the division. In the event liabilities on the Special
17 Disabilities Trust Fund are transferred to and assumed by a
18 qualified entity, such entity shall provide the state with
19 financial assurance as to the satisfaction of any such
20 liabilities or claims and the state and the Special Disability
21 Trust Fund shall have no further liability with respect to
22 those liabilities and claims. The financial assurances may
23 include, but are not limited to, cash reserves, reinsurance,
24 guarantees, or letters of credit.

25 Section 2. This act shall take effect upon becoming a
26 law.

27
28
29
30
31

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

SENATE SUMMARY

Deletes the prohibition against the administrator that contracts with the Special Disability Trust Fund Privatization Commission to review, allow, deny, compromise, controvert, or litigate claims of the fund being affiliated with or a participant in a financial or contractual agreement with the qualified entity that contracts with the commission to assume certain obligations of the fund.