

By Representative Goode

1                                   A bill to be entitled  
 2           An act relating to the workers' compensation  
 3           joint underwriting plan; amending s. 440.50,  
 4           F.S.; providing for using funds in the Workers'  
 5           Compensation Administration Trust Fund for  
 6           fixed operating expenses of a workers'  
 7           compensation joint underwriting plan; amending  
 8           s. 440.51, F.S.; providing definitions;  
 9           providing plan reporting requirements;  
 10          requiring the Division of Workers' Compensation  
 11          of the Department of Labor and Employment  
 12          Security to transfer certain moneys to the plan  
 13          under certain circumstances; amending s.  
 14          627.311, F.S.; providing an additional means of  
 15          funding a plan deficit; providing an effective  
 16          date.

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

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 20           Section 1. Paragraph (a) of subsection (1) of section  
 21 440.50, Florida Statutes, is amended to read:

22           440.50 Workers' Compensation Administration Trust  
 23 Fund.--

24           (1)(a) There is established in the State Treasury a  
 25 special fund to be known as the "Workers' Compensation  
 26 Administration Trust Fund" for the purpose of providing for  
 27 the payment of all expenses in respect to the administration  
 28 of this chapter, including the vocational rehabilitation of  
 29 injured employees as provided in s. 440.49 and the payments  
 30 due under s. 440.15(1)(f), the funding of the fixed operating  
 31 expenses of the plan, and the funding of the Bureau of

1 Workers' Compensation Fraud within the Department of  
2 Insurance. Such fund shall be administered by the division.

3 Section 2. Subsections (13) and (14) are added to  
4 section 440.51, Florida Statutes, to read:

5 440.51 Expenses of administration.--

6 (13) As used in ss. 440.50 and 440.51, the term:

7 (a) "Plan" means the workers' compensation joint  
8 underwriting plan provided for in s. 627.311(4).

9 (b) "Fixed operating expenses" means the expenses of  
10 the plan, not to exceed \$1.5 million, which are directly  
11 related to the plan's operation and administration, but which  
12 do not vary in direct relationship to the amount of premium  
13 written by the plan, and which do not include loss adjustment  
14 expenses.

15 (14) Prior to July 1 each year, the plan shall notify  
16 the division of the amount of the plan's gross written  
17 premiums for the preceding calendar year. Whenever the plan's  
18 gross written premiums reported to the division are less than  
19 \$30 million, the division shall transfer to the plan an amount  
20 equal to the plan's fixed operating expenses for the preceding  
21 calendar year.

22 Section 3. Paragraph (g) of subsection (4) of section  
23 627.311, Florida Statutes, is amended to read:

24 627.311 Joint underwriters and joint reinsurers.--

25 (4)

26 (g) Whenever a deficit exists, the plan shall, within  
27 90 days, provide the department with a program to eliminate  
28 the deficit within a reasonable time. The deficit may be  
29 funded ~~both~~ through increased premiums charged to insureds of  
30 the plan for subsequent years, through use of policyholder  
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1 surplus attributable to any year,and through assessments on  
2 insureds in the plan if the plan uses assessable policies.

3 Section 4. This act shall take effect upon becoming a  
4 law.

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7 HOUSE SUMMARY

8 Provides for using funds in the Workers' Compensation  
9 Administration Trust Fund for fixed operating expenses of  
10 a workers' compensation joint underwriting plan, defines  
11 "plan" and "fixed operating expenses," provides plan  
12 reporting requirements, requires the Division of Workers'  
13 Compensation of the Department of Labor and Employment  
14 Security to transfer to the plan an amount equal to the  
15 plan's fixed operating expenses for the preceding  
16 calendar year whenever the plan's reported gross written  
17 premiums are less than \$30 million, and provides for  
18 funding a plan deficit through use of policyholder  
19 surpluses.  
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