

By Senator Horne

6-1217-00

1 A bill to be entitled
2 An act relating to workers' compensation;
3 amending s. 440.50, F.S.; revising the purpose
4 of the Workers' Compensation Administration
5 Trust Fund; amending s. 440.51, F.S.; defining
6 the terms "plan" and "fixed operating expenses"
7 for purposes of administering the workers'
8 administration program; providing for transfer
9 of funds to the workers' compensation joint
10 underwriting plan; amending s. 627.311, F.S.;
11 providing for funding a deficit in the workers'
12 compensation joint underwriting plan through
13 policyholder surplus; providing an effective
14 date.

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

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18 Section 1. Paragraph (a) of subsection (1) of section
19 440.50, Florida Statutes, is amended to read:

20 440.50 Workers' Compensation Administration Trust
21 Fund.--

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

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

3 440.51 Expenses of administration.--

4 (13) As used in s. 440.50 and this section, the term:

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

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

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

20 Section 3. Paragraph (g) of subsection (4) of section
21 627.311, Florida Statutes, is amended to read:

22 627.311 Joint underwriters and joint reinsurers.--

23 (4)

24 (g) Whenever a deficit exists, the plan shall, within
25 90 days, provide the department with a program to eliminate
26 the deficit within a reasonable time. The deficit may be
27 funded ~~both~~ through increased premiums charged to insureds of
28 the plan for subsequent years, through the use of policyholder
29 surplus attributable to any year, and through assessments on
30 insureds in the plan if the plan uses assessable policies.

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