

By Senator Sanderson

31-1330-01

1 A bill to be entitled
2 An act relating to group insurance for public
3 officers, employees, and volunteers; amending
4 s. 112.08, F.S.; prescribing procedure for a
5 local governmental unit to replace health
6 insurance when the contracting provider becomes
7 financially impaired or fails or refuses to
8 provide coverage; providing an effective date.

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

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12 Section 1. Paragraph (a) of subsection (2) of section
13 112.08, Florida Statutes, is amended to read:

14 112.08 Group insurance for public officers, employees,
15 and certain volunteers; physical examinations.--

16 (2)(a) Every local governmental unit is authorized to
17 provide and pay out of its available funds for all or part of
18 the premium for life, health, accident, hospitalization, legal
19 expense, or annuity insurance, or all or any kinds of such
20 insurance, for the officers and employees of the local
21 governmental unit and for health, accident, hospitalization,
22 and legal expense insurance for the dependents of such
23 officers and employees upon a group insurance plan and, to
24 that end, to enter into contracts with insurance companies or
25 professional administrators to provide such insurance. Before
26 entering any contract for insurance, the local governmental
27 unit shall advertise for competitive bids; and such contract
28 shall be let upon the basis of such bids. If a contracting
29 health insurance provider becomes financially impaired as
30 determined by the Department of Insurance or otherwise fails
31 or refuses to provide the contracted-for coverage or

1 coverages, the local government may purchase insurance, enter
2 into risk-management programs, or contract with third-party
3 administrators and may make such acquisitions by advertising
4 for competitive bids or by direct negotiations and contract.

5 ~~However,~~The local governmental unit may undertake
6 simultaneous negotiations with those companies which have
7 submitted reasonable and timely bids and are found by the
8 local governmental unit to be fully qualified and capable of
9 meeting all servicing requirements. Each local governmental
10 unit may self-insure any plan for health, accident, and
11 hospitalization coverage or enter into a risk management
12 consortium to provide such coverage, subject to approval based
13 on actuarial soundness by the Department of Insurance; and
14 each shall contract with an insurance company or professional
15 administrator qualified and approved by the Department of
16 Insurance to administer such a plan.

17 Section 2. This act shall take effect upon becoming a
18 law.

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21 SENATE SUMMARY

22 Allows a local governmental unit to provide health
23 insurance coverage for its public officers, employees,
24 and certain volunteers when the contracting carrier
25 becomes financially impaired or otherwise fails or
26 refuses to provide coverage. Replacement coverage may be
27 obtained by competitive bid or by direct negotiation and
28 contract.
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