

Amendment No. (for drafter's use only)

CHAMBER ACTION

Senate

House

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1 Representative Berfield offered the following:

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3 **Substitute Amendment for Amendment (927513) (with title**
4 **amendment)**

5 Remove line(s) 561-580 and insert:

6 Section 2. Notwithstanding the provisions of ss. 440.50
7 and 440.51, Florida Statutes, subject to the following
8 procedures and approval, the Department of Financial Services
9 may request transfer funds from the Workers' Compensation
10 Administration Trust Fund within the Department of Financial
11 Services to the workers' compensation joint underwriting plan
12 provided in s. 627.311(5), Florida Statutes.

13 (1) For actuarial deficits projected for policyholders,
14 based on actuarial best estimates, covered in subplan "D" prior
15 to July 1, 2004, and upon verification by the Office of
16 Insurance Regulation, the plan is authorized to request the

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17 department to submit a budget amendment for the purpose of
18 funding deficits in subplan "D." The department shall submit a
19 budget amendment to provide for transfer authority from the
20 Workers' Compensation Administration Trust Fund subject to the
21 approval of the Legislative Budget Commission. The funds
22 appropriated shall be held in reserve and released upon approval
23 by the Legislative Budget Commission pursuant to chapter 216,
24 Florida Statutes. The department shall establish a contingency
25 reserve within the Workers' Compensation Administration Trust
26 Fund equal to the approved transfer authority amount.

27 (2) After the contingency reserve is established, whenever
28 the board determines the plan does not have a sufficient cash
29 basis to meet 3 months of projected cash needs due to any
30 deficit in subplan "D," the board is authorized to request the
31 department to transfer funds from the contingency reserve fund
32 within the Workers' Compensation Administration Trust Fund to
33 the plan in an amount sufficient to fund the difference between
34 the amount available and the amount needed to meet the plan's
35 projected cash need for the subsequent 3-month period. The board
36 and the office must first certify to the Department of Financial
37 Services that there is not sufficient cash within the plan to
38 meet the projected cash needs in subplan "D" within the
39 subsequent 3 months. The amount requested for transfer to the
40 plan may not exceed the difference between the amount available
41 within the plan and the amount needed to meet the plan's
42 projected cash need for the subsequent 3-month period, as
43 jointly certified by the board and the Office of Insurance
44 Regulation to the Department of Financial Services, attributable

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45 to the former subplan "D" policyholders. The Department of
 46 Financial Services may submit a budget amendment to request
 47 release of funds from the Workers' Compensation Administration
 48 Trust Fund, subject to the approval of the Legislative Budget
 49 Commission. The board will provide, for review of the
 50 Legislative Budget Commission, information on the reasonableness
 51 of the plan's administration, including, but not limited to, the
 52 plan of operations and costs, claims costs, claims
 53 administration costs, overhead costs, claims reserves, and the
 54 latest report submitted on administration cost reduction
 55 alternatives as required in s. 627.311(5)(c)17., Florida
 56 Statutes.

57 (3) This section expires July 1, 2007.

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59 ===== T I T L E A M E N D M E N T =====

60 Remove line(s) 25-44 and insert:

61 funding of the plan through deficit funding; providing for
 62 transferring appropriations from the Workers' Compensation
 63 Administration Trust Fund to the workers' compensation joint
 64 underwriting plan for certain purposes; providing procedures and
 65 requirements; providing for establishing a contingency reserve
 66 for certain purposes; providing for transfers of funds from the
 67 contingency reserve to the plan for purposes of funding certain
 68 deficits; providing limitations; providing for review of the
 69 reasonableness of the plan's administration; providing a sunset
 70 date for deficit funding; providing an effective date.