

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 **Amendment (with title amendments)**

4 Remove line(s) 561-580, and insert:

5 Section 2. Notwithstanding the provisions of ss. 440.50

6 and 440.51, Florida Statutes, subject to the following

7 procedures and approval, funds are hereby appropriated to be

8 transferred from the Workers' Compensation Administrative Trust

9 Fund within the Department of Financial Services to the workers'

10 compensation joint underwriting plan provided in s. 627.311(5),

11 Florida Statutes, as follows:

12 (1) For actuarial deficits projected for policyholders,

13 based on actuarial best estimates, covered in subplan D prior to

14 July 1, 2004, and upon verification by the Office of Insurance

15 Regulation, the plan is authorized to request the Department of

16 Financial Services, subject to approval of the Legislative

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17 Budget Commission, to establish a contingency reserve within the
18 Workers' Compensation Administrative Trust Fund for the purpose
19 of funding deficits in subplan D.

20 (2) After the contingency reserve is established, whenever
21 the board determines the plan does not have a sufficient cash
22 basis to meet 3 months of projected cash needs due to any
23 deficit in subplan D, the board is authorized to request the
24 department to transfer funds from the contingency reserve fund
25 within the Workers' Compensation Administrative Trust Fund to
26 the plan in an amount sufficient to fund the difference between
27 the amount available and the amount needed to meet the plan's
28 projected cash need for the subsequent 3-month period. The board
29 and the office must first certify to the Department of Financial
30 Services that there is not sufficient cash within the plan to
31 meet the projected cash needs in subplan D within the subsequent
32 3 months. The amount requested for transfer to the plan may not
33 exceed the difference between the amount available within the
34 plan and the amount needed to meet the plan's projected cash
35 need for the subsequent 3-month period, as jointly certified by
36 the board and the Office of Insurance Regulation to the
37 Department of Financial Services attributable to the former
38 subplan D policyholders. The Department of Financial Services
39 may submit a budget amendment to request transfer of funds from
40 the contingency reserve established with the Workers'
41 Compensation Administrative Trust Fund subject to the approval
42 of the Legislative Budget Commission. The board shall provide,
43 for review of the Legislative Budget Commission, information on
44 the reasonableness of the plan's administration, including, but

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45 not limited to, the plan of operations and costs, claims costs,
46 claims administrative costs, overhead costs, claims reserves,
47 and the latest report submitted on administrative cost reduction
48 alternatives as required in s. 627.311(5)(c)17., Florida
49 Statutes.

50 (3) This section shall expire July 1, 2007.

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

53 Remove line(s) 25-44, and insert:
54 funding of the plan through deficit funding; providing for
55 transferring appropriations from the Workers' Compensation
56 Administrative Trust Fund to the workers' compensation joint
57 underwriting plan for certain purposes; providing procedures and
58 requirements; providing for establishing a contingency reserve
59 for certain purposes; providing for transfers of funds from the
60 contingency reserve to the plan for purposes of funding certain
61 deficits; providing limitations; providing for review of the
62 reasonableness of the plan's administration; providing a sunset
63 date for deficit funding; providing an effective date.