

Bill No. SB 2486

Barcode 092934

CHAMBER ACTION

Senate

House

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The Committee on Banking and Insurance (Garcia) recommended
the following amendment:

Senate Amendment (with title amendment)

Delete everything after the enacting clause

and insert:

Section 1. Subsections (2) and (3) of section 624.462,
Florida Statutes, are amended to read:

624.462 Commercial self-insurance funds.--

(2) As used in ss. 624.460-624.488, "commercial
self-insurance fund" or "fund" means a group of members,
operating individually and collectively through a trust or
corporation, which ~~that~~ must be:

(a) Established by:

1. A not-for-profit trade association, industry
association, or professional association of employers or
professionals which has a constitution or bylaws, which is
incorporated under the laws of this state, and which has been
organized for purposes other than that of obtaining or
providing insurance and operated in good faith for a

Bill No. SB 2486

Barcode 092934

1 continuous period of 1 year;

2 2. Any two or more nonprofit community mental health
3 or substance abuse provider that are members in good standing
4 of a nonprofit statewide association that has been in
5 existence for at least 10 years and is comprised of at least
6 50 community-based mental health and substance abuse agencies
7 that are primarily publicly funded and located in this state;

8 ~~3.2.~~ A self-insurance trust fund organized pursuant to
9 s. 627.357 and maintained in good faith for a continuous
10 period of 1 year for purposes other than that of obtaining or
11 providing insurance pursuant to this section. Each member of
12 a commercial self-insurance trust fund established pursuant to
13 this subsection must maintain membership in the self-insurance
14 trust fund organized pursuant to s. 627.357;

15 ~~4.3.~~ A group of 10 or more health care providers, as
16 defined in s. 627.351(4)(h), for purposes of providing medical
17 malpractice coverage; or

18 ~~5.4.~~ A not-for-profit group comprised of no less than
19 10 condominium associations as defined in s. 718.103(2), which
20 is incorporated under the laws of this state, which restricts
21 its membership to condominium associations only, and which has
22 been organized and maintained in good faith for a continuous
23 period of 1 year for purposes other than that of obtaining or
24 providing insurance.

25 (b)1. In the case of funds established pursuant to
26 subparagraph(a)3.~~(a)2.~~ or subparagraph(a)5.~~(a)4.~~, operated
27 pursuant to a trust agreement by a board of trustees which
28 shall have complete fiscal control over the fund and which
29 shall be responsible for all operations of the fund. The
30 majority of the trustees shall be owners, partners, officers,
31 directors, or employees of one or more members of the fund.

Bill No. SB 2486

Barcode 092934

1 The trustees shall have the authority to approve applications
2 of members for participation in the fund and to contract with
3 an authorized administrator or servicing company to administer
4 the day-to-day affairs of the fund.

5 2. In the case of funds established pursuant to
6 subparagraph (a)1., subparagraph (a)2., or subparagraph(a)4.
7 ~~(a)3.~~, operated pursuant to a trust agreement by a board of
8 trustees or as a corporation by a board of directors which
9 board shall:

10 a. Be responsible to members of the fund or
11 beneficiaries of the trust or policyholders of the
12 corporation;

13 b. Appoint independent certified public accountants,
14 legal counsel, actuaries, and investment advisers as needed;

15 c. Approve payment of dividends to members;

16 d. Approve changes in corporate structure; and

17 e. Have the authority to contract with an
18 administrator authorized under s. 626.88 to administer the
19 day-to-day affairs of the fund including, but not limited to,
20 marketing, underwriting, billing, collection, claims
21 administration, safety and loss prevention, reinsurance,
22 policy issuance, accounting, regulatory reporting, and general
23 administration. The fees or compensation for services under
24 such contract shall be comparable to the costs for similar
25 services incurred by insurers writing the same lines of
26 insurance, or where available such expenses as filed by
27 boards, bureaus, and associations designated by insurers to
28 file such data. A majority of the trustees or directors shall
29 be owners, partners, officers, directors, or employees of one
30 or more members of the fund.

31 (3) Each member of a commercial self-insurance trust

Bill No. SB 2486

Barcode 092934

1 fund established pursuant to this section, except a fund
 2 established pursuant to subparagraph ~~(2)(a)4.(2)(a)3~~, must
 3 maintain membership in the association or self-insurance trust
 4 fund established under s. 627.357. Membership in a
 5 not-for-profit trade association, industry association, or
 6 professional association of employers or professionals for the
 7 purpose of obtaining or providing insurance shall be in
 8 accordance with the constitution or bylaws of the association,
 9 and the dues, fees, or other costs of membership shall not be
 10 different for members obtaining insurance from the commercial
 11 self-insurance fund. The association shall not be liable for
 12 any actions of the fund nor shall it have any responsibility
 13 for establishing or enforcing any policy of the commercial
 14 self-insurance fund. Fees, services, and other aspects of the
 15 relationship between the association and the fund shall be
 16 subject to contractual agreement.

17 Section 2. This act shall take effect July 1, 2005.

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

21 And the title is amended as follows:

22 Delete everything before the enacting clause

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24 and insert:

25 A bill to be entitled
 26 An act relating to community mental health or
 27 substance abuse providers; amending s. 624.462,
 28 F.S.; authorizing community mental health or
 29 substance abuse providers to form a commercial
 30 self-insurance fund; providing an effective
 31 date.