

Bill No. SB 2486

Barcode 095786

CHAMBER ACTION

Senate

House

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The Committee on Banking and Insurance (Garcia) recommended the following **substitute for amendment** (234716):

**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

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1 continuous period of 1 year;

2 2. Any two or more nonprofit community mental health  
3 or substance abuse providers that are members in good standing  
4 of nonprofit statewide associations that have been in  
5 existence for at least 10 years and are 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.

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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

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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

23

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.