

Bill No. HB 7031

Barcode 285088

CHAMBER ACTION

Senate

House

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Senators Fasano, Margolis, and Deutch moved the following
amendment to amendment (892510):

Senate Amendment (with title amendment)

On page 3, line 6,

insert:

Section 2. Subsections (2) and (5) of section 624.462,
Florida Statutes, as amended, by section 12 of chapter 2007-1,
Laws of Florida, 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, 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

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1 providing insurance and operated in good faith for a
2 continuous period of 1 year;

3 2. A self-insurance trust fund organized pursuant to
4 s. 627.357 and maintained in good faith for a continuous
5 period of 1 year for purposes other than that of obtaining or
6 providing insurance pursuant to this section. Each member of a
7 commercial self-insurance trust fund established pursuant to
8 this subsection must maintain membership in the self-insurance
9 trust fund organized pursuant to s. 627.357;

10 3. A group of 10 or more health care providers, as
11 defined in s. 627.351(4)(h), for purposes of providing medical
12 malpractice coverage; or

13 4. A not-for-profit group comprised of one or more
14 community associations responsible for operating at least 50
15 residential parcels or units created and operating under
16 chapter 718, chapter 719, chapter 720, chapter 721, or chapter
17 723 which restricts its membership to community associations
18 only and which has been organized and maintained in good faith
19 for the purpose of pooling and spreading the liabilities of
20 its group members relating to property or casualty risk or
21 surety insurance which, in accordance with applicable
22 provisions of part I of chapter 626, appoints resident general
23 lines agents only, and which does not prevent, impede, or
24 restrict any applicant or fund participant from maintaining or
25 selecting an agent of choice. The fund may not refuse to
26 appoint the agent of record for any fund applicant or fund
27 member and may not favor one or more such appointed agents
28 over other appointed agents.

29 (b)1. In the case of funds established pursuant to
30 subparagraph (a)2. or subparagraph (a)4., operated pursuant to
31 a trust agreement by a board of trustees which shall have

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1 complete fiscal control over the fund and which shall be
2 responsible for all operations of the fund. The majority of
3 the trustees shall be owners, partners, officers, directors,
4 or employees of one or more members of the fund. The trustees
5 shall have the authority to approve applications of members
6 for participation in the fund and to contract with an
7 authorized administrator or servicing company to administer
8 the day-to-day affairs of the fund.

9 2. In the case of funds established pursuant to
10 subparagraph (a)1. or subparagraph (a)3., operated pursuant to
11 a trust agreement by a board of trustees or as a corporation
12 by a board of directors which board shall:

13 a. Be responsible to members of the fund or
14 beneficiaries of the trust or policyholders of the
15 corporation;

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

18 c. Approve payment of dividends to members;

19 d. Approve changes in corporate structure; and

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

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1 | be owners, partners, officers, directors, or employees of one
2 | or more members of the fund.

3 | (5) A commercial self-insurance fund created under
4 | subparagraph (2)(a)4. shall be an insurer for the purpose of
5 | any assessments levied by the Florida Hurricane Catastrophe
6 | Fund as provided under s. 215.555 or by the Citizens Property
7 | Insurance Corporation as provided under s. 627.351(6)(b)3. The
8 | office shall establish the method for determining the imputed
9 | premium that is subject to any such assessment. ~~must~~
10 | ~~participate in the Florida Self-Insurance Fund Guaranty~~
11 | ~~Association.~~

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13 |

14 | ===== T I T L E A M E N D M E N T =====

15 | And the title is amended as follows:

16 | On page 3, line 19, after the semicolon,

17 |

18 | insert:

19 | amending s. 624.462, F.S.; providing that any
20 | applicant or fund participant may select an
21 | agent of choice without restriction by the
22 | fund; providing that a commercial
23 | self-insurance fund shall be an insurer for the
24 | purpose of assessments levied by the Florida
25 | Hurricane Catastrophe Fund or Citizens Property
26 | Insurance Group; requiring the office to
27 | establish the method for determining the
28 | inputted premium that is subject to assessment;

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