

1 A bill to be entitled
 2 An act relating to group self-insurance funds; amending s.
 3 624.4621, F.S.; authorizing the board of trustees of a
 4 self-insurer to declare any moneys in excess of the amount
 5 necessary to fund all obligations of the self-insurer as
 6 refundable to its members or policyholders; authorizing
 7 the board to distribute such dividends or premium refunds
 8 at its discretion, subject to certain limitations;
 9 requiring that a self-insurer submit certain information
 10 to the Office of Insurance Regulation within a specified
 11 period after the payment of a dividend or premium refund;
 12 deleting a provision prohibiting a request for a dividend
 13 or premium refund from being made before such information
 14 is submitted; requiring that a self-insurer's written
 15 notice of dividend or premium refund contain certain
 16 information; deleting provisions relating to the required
 17 review and potential approval of such dividend or premium
 18 refund by the office; amending s. 624.4623, F.S.;
 19 prohibiting independent educational institution self-
 20 insurance funds from being required to participate in or
 21 entitled to coverage under certain guaranty associations;
 22 providing an effective date.

23
 24 Be It Enacted by the Legislature of the State of Florida:

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 26 Section 1. Subsection (5) of section 624.4621, Florida
 27 Statutes, is amended to read:

28 624.4621 Group self-insurance funds.--

29 (5) A dividend or premium refund of any self-insurer
 30 established under this section, otherwise earned, may not be
 31 made contingent upon continued membership in the fund, renewal
 32 of any policy, or the payment of renewal premiums for membership
 33 in the fund or on any policy issued by such self-insurer.

34 (a) The board of trustees of a self-insurer may declare
 35 any moneys in excess of the amount necessary to fund all
 36 obligations of the self-insurer as refundable to the members or
 37 policyholders of the self-insurer. The board of trustees may
 38 distribute such dividends or premium refunds at the board's
 39 discretion, in accordance with the agreement establishing the
 40 self-insurer and subject to the following limitations:

41 1. The amount of the distribution may not exceed the sum
 42 total of the dividends declared and unpaid to policyholders and
 43 unassigned funds as recorded on the most recently completed
 44 audited financial statements of the self-insurer.

45 2. The payment of the dividend or premium refund may not
 46 jeopardize the financial condition of the self-insurer or result
 47 in the self-insurer having a negative unassigned funds balance.

48 (b) No later than 10 days after the payment of a ~~Before~~
 49 ~~making any~~ dividend or premium refund, the ~~group~~ self-insurer
 50 shall submit to the office the following information:

51 1.~~(a)~~ ~~An~~ Audited certified financial statements as of the
 52 most recently completed fund year statement.

53 2.~~(b)~~ ~~An~~ Annual evaluations of loss reserves by a
 54 qualified independent actuary as of the most recently completed
 55 fund year report of financial condition.

56 ~~(c) A loss reserve review by a qualified actuary.~~

57
58 If a self-insurance fund does not make or declare a dividend or
59 member distribution payable during a given fund year, the
60 required information listed in subparagraphs 1. and 2.
61 ~~paragraphs (a)–(e) shall be submitted annually, no later than 7~~
62 ~~months after the end of the group self-insurer's fund year. A~~
63 ~~request for such dividend or premium refund may not be made~~
64 ~~before the required information is filed. The written notice to~~
65 ~~the office request for such dividend or premium refund must~~
66 include a resolution of the board of trustees of the group self-
67 insurer stating the requesting approval of a specific amount
68 that has been paid to the members or policyholders to be
69 ~~distributed. A dividend, premium refund, or premium discount or~~
70 credit must not discriminate on the basis of continued coverage
71 or continued membership in the group self-insurer. ~~The office~~
72 ~~shall review the request and shall issue a decision within 60~~
73 ~~days after the filing. Failure to issue a decision within 60~~
74 ~~days constitutes an approval of the request. Any dividend or~~
75 premium refund that approved by the office for distribution
76 ~~which~~ cannot be paid to the applicable member or policyholder or
77 former member or policyholder of the group self-insurer because
78 the former member or policyholder cannot be reasonably located
79 shall become the property of the group self-insurer.

80 Section 2. Subsection (3) is added to section 624.4623,
81 Florida Statutes, to read:

82 624.4623 Independent Educational Institution Self-
83 Insurance Funds.--

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84 (3) An independent educational institution self-insurance
85 fund shall not be required to participate in, nor shall it be
86 entitled to coverage under, the guaranty associations created
87 pursuant to parts II and V of chapter 631.

88 Section 3. This act shall take effect upon becoming a law.