

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  
4 certain self-insurers to declare any moneys in excess of  
5 the amount necessary to fund all obligations of the self-  
6 insurer as refundable to its members or policyholders;  
7 authorizing the board to distribute such dividends or  
8 premium refunds at its discretion, subject to certain  
9 limitations; requiring certain self-insurers to submit to  
10 the Office of Insurance Regulation a request to make or  
11 declare a dividend or premium refund under certain  
12 circumstances; requiring office approval to make or pay a  
13 dividend or premium refund; requiring the office to issue  
14 a decision within a time certain after receiving a request  
15 to make or declare a dividend or premium refund; requiring  
16 that a self-insurer submit certain information to the  
17 office within a specified period after the payment of a  
18 dividend or premium refund; deleting a provision  
19 prohibiting a request for a dividend or premium refund  
20 from being made before such information is submitted;  
21 requiring that a self-insurer's written notice of dividend  
22 or premium refund contain certain information; deleting  
23 provisions relating to the required review and potential  
24 approval of such dividend or premium refund by the office;  
25 providing an effective date.

26  
27 Be It Enacted by the Legislature of the State of Florida:  
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29 Section 1. Subsection (5) of section 624.4621, Florida  
30 Statutes, is amended to read:

31 624.4621 Group self-insurance funds.--

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

37 (a) For any self-insurer established under this section  
38 before June 1, 2008, the board of trustees of the self-insurer  
39 may declare any moneys in excess of the amount necessary to fund  
40 all obligations of the self-insurer as refundable to the members  
41 or policyholders of the self-insurer. The board of trustees may  
42 distribute such dividends or premium refunds at the board's  
43 discretion, in accordance with the agreement establishing the  
44 self-insurer and subject to the following limitations:

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

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

52 3. A notice of the dividend or premium refund shall be  
53 submitted to the office no later than 10 days after the payment  
54 of the dividend or premium refund.

55 (b) For any self-insurer established under this section on  
56 or after June 1, 2008, the self-insurer must submit to the

57 office a request to make or declare a dividend or premium refund  
 58 and receive prior written approval from the office for any  
 59 dividends or premium refunds payable during the first 7 years of  
 60 the self-insurer's operation. The office shall issue a decision  
 61 within 60 days after receiving a request to make or declare a  
 62 dividend or premium refund.

63 (c) The notice or request submitted to the office to pay a  
 64 ~~Before making any dividend or premium refund must contain, the~~  
 65 ~~group self insurer shall submit to the office the following~~  
 66 ~~information:~~

67 1.(a) An Audited certified financial statements as of the  
 68 most recently completed fund year statement.

69 2.(b) An Annual evaluations of loss reserves by a  
 70 qualified independent actuary as of the most recently completed  
 71 fund year report of financial condition.

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

73 (d) If a self-insurer does not make or declare a dividend  
 74 or member distribution payable during a given fund year, the  
 75 required information listed in paragraph (c) paragraphs (a) (c)  
 76 shall be submitted annually, no later than 7 months after the  
 77 end of the group self-insurer's fund year. A request for such  
 78 dividend or premium refund may not be made before the required  
 79 information is filed.

80 (e) The notice or request submitted to the office for such  
 81 dividend or premium refund must include a resolution of the  
 82 board of trustees of the group self-insurer stating the  
 83 requesting approval of a specific amount that has been paid or  
 84 that is sought to be paid to the members or policyholders to be

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85 ~~distributed.~~ A dividend, premium refund, or premium discount or  
86 credit must not discriminate on the basis of continued coverage  
87 or continued membership in the group self-insurer. ~~The office~~  
88 ~~shall review the request and shall issue a decision within 60~~  
89 ~~days after the filing. Failure to issue a decision within 60~~  
90 ~~days constitutes an approval of the request.~~ Any dividend or  
91 premium refund that ~~approved by the office for distribution~~  
92 ~~which~~ cannot be paid to the applicable member or policyholder or  
93 former member or policyholder of the group self-insurer because  
94 the former member or policyholder cannot be reasonably located  
95 shall become the property of the group self-insurer.

96 Section 2. This act shall take effect upon becoming a law.