

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Schwartz offered the following:

2  
3 **Amendment (with title amendment)**

4 Between lines 20-21 and insert:

5 Section 1. Section 624.46226, Florida Statutes, is amended  
6 to read:

7 624.46226 Public housing authorities self-insurance funds;  
8 exemption for taxation and assessments.--

9 (1) Notwithstanding any other provision of law, any two or  
10 more public housing authorities in the state as defined in  
11 chapter 421 may form ~~also create~~ a self-insurance fund for the  
12 purpose of pooling and spreading liabilities of its members as  
13 to any one or combination of casualty risk or self-insuring real  
14 or personal property risk of every kind and every interest in  
15 such property against loss or damage from any hazard or cause  
16 and against any loss consequential to such loss or damage,

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17 provided the self-insurance fund that is created: ~~all the~~  
18 ~~provisions of s. 624.4622 are met.~~

19 (a) Has annual normal premiums in excess of \$5 million.

20 (b) Uses a qualified actuary to determine rates using  
21 accepted actuarial principles and annually submits to the office  
22 a certification by the actuary that the rates are actuarially  
23 sound and are not inadequate, as defined in s. 627.062.

24 (c) Uses a qualified actuary to establish reserves for  
25 loss and loss adjustment expenses and annually submits to the  
26 office a certification by the actuary that the loss and loss  
27 adjustment expense reserves are adequate. If the actuary  
28 determines that reserves are not adequate, the fund shall file  
29 with the office a remedial plan for increasing the reserves or  
30 otherwise addressing the financial condition of the fund,  
31 subject to a determination by the office that the fund will  
32 operate on an actuarially sound basis and the fund does not pose  
33 a significant risk of insolvency.

34 (d) Maintains a continuing program of excess insurance  
35 coverage and reserve evaluation to protect the financial  
36 stability of the fund in an amount and manner determined by a  
37 qualified and independent actuary. At a minimum, this program  
38 must:

39 1. Purchase excess insurance from authorized insurance  
40 carriers or eligible surplus lines insurers.

41 2. Retain a per-loss occurrence that does not exceed  
42 \$350,000.

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43 (e) Submits to the office annually an audited fiscal year-  
44 end financial statement by an independent certified public  
45 accountant within 6 months after the end of the fiscal year.

46 (f) Has a governing body which is comprised entirely of  
47 commissioners of public housing authorities that are members of  
48 the public housing authority self-insurance fund or persons  
49 appointed by the commissioners of public housing authorities  
50 that are members of the public housing authority self-insurance  
51 fund.

52 (g) Uses knowledgeable persons or business entities to  
53 administer or service the fund in the areas of claims  
54 administration, claims adjusting, underwriting, risk management,  
55 loss control, policy administration, financial audit, and legal  
56 areas. Such persons must meet all applicable requirements of law  
57 for state licensure and must have at least 5 years' experience  
58 with commercial self-insurance funds formed under s. 624.462,  
59 self-insurance funds formed under s. 624.4622, or domestic  
60 insurers.

61 (h) Submits to the office copies of contracts used for its  
62 members that clearly establish the liability of each member for  
63 the obligations of the fund.

64 (i) Annually submits to the office a certification by the  
65 governing body of the fund that, to the best of its knowledge,  
66 the requirements of this section are met.

67 (2) As used in this section, the term "qualified actuary"  
68 means an actuary that is a member of the Casualty Actuarial  
69 Society or the American Academy of Actuaries.

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70 (3) A public housing authority's self-insurance fund that  
71 meets the requirements of this section is not:

72 (a) An insurer for purposes of participation in or  
73 coverage by any insurance guaranty association established by  
74 chapter 631; or

75 (b) Subject to s. 624.4621 and is not required to file any  
76 report with the department under s. 440.38(2)(b) that is  
77 uniquely required of group self-insurer funds qualified under s.  
78 624.4621.

79 (4) Premiums, contributions, and assessments received by a  
80 public housing authority's self-insurance fund are subject to  
81 ss. 624.509(1) and (2) and 624.5092, except that the tax rate  
82 shall be 1.6 percent of the gross amount of such premiums,  
83 contributions, and assessments.

84 (5) If any of the requirements of subsection (1) are not  
85 met, a public housing authority's self-insurance fund is subject  
86 to the requirements of s. 624.4621 if the fund provides only  
87 workers' compensation coverage or is subject to the requirements  
88 of ss. 624.460-624.488 if the fund provides coverage for other  
89 property, casualty, or surety risks.

90 (6)~~(2)~~ Any public housing authority in the state as  
91 defined in chapter 421 that is a member of a self-insurance fund  
92 pursuant to this section shall be exempt from the assessments  
93 imposed under ss. 215.555, 627.351 and 631.57.

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99 **T I T L E A M E N D M E N T**

100 Remove line 2 and insert:

101 An act relating to insurance; amending s. 624.46226, F.S.;

102 revising provisions authorizing public housing authorities to

103 form self-insurance funds; specifying requirements; providing a

104 definition; providing construction relating to self-insurance

105 funds; providing for application of certain provisions of law to

106 premiums, contributions, and assessments of public authority's

107 self-insurance funds; specifying an alternative tax rate;

108 providing for application of certain provisions of law to public

109 authority's self-insurance funds not meeting certain

110 requirements; amending s.

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