

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Reagan offered the following:

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3 **Amendment (with title amendment)**

4 Between line(s) 20 and 21, insert:

5 Section 1. Subsection (1) of section 395.106, Florida  
6 Statutes, is amended, and subsection (5) is added to that  
7 section, to read:

8 395.106 Risk pooling by certain hospitals and hospital  
9 systems.--

10 (1) Notwithstanding any other provision of law, any two or  
11 more hospitals licensed in this state and located in this state  
12 may form an alliance for the purpose of pooling and spreading  
13 liabilities of its members relative to property exposure,  
14 implementing self-insurance coverage for its members, or  
15 securing such property insurance coverage for the benefit of its  
16 members, provided an alliance that is created:

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17 (a) Has annual premiums in excess of \$3 million.

18 (b) Maintains a continuing program of premium calculation  
19 and evaluation and reserve evaluation to protect the financial  
20 stability of the alliance in an amount and manner determined by  
21 consultants using catastrophic (CAT) modeling criteria or other  
22 risk-estimating methodologies, including those used by qualified  
23 and independent actuaries.

24 (c) Causes to be prepared annually a fiscal year-end  
25 financial statement based upon generally accepted accounting  
26 principles and audited by an independent certified public  
27 accountant within 6 months after the end of the fiscal year.

28 (d) Has a governing body comprised entirely of member  
29 entities whose representatives on such governing body are  
30 specified by the organizational documents of the alliance.

31 (5) Reinsurance companies complying with s. 624.610 may  
32 issue coverage directly to an alliance self-insuring its  
33 liabilities under this section. An alliance purchasing  
34 reinsurance shall be considered an insurer for the sole purpose  
35 of entering into such reinsurance contracts. Contracts of  
36 reinsurance issued to an alliance under this section shall  
37 receive the same tax treatment as reinsurance contracts issued  
38 to insurance companies. However, the purchase of reinsurance  
39 coverage by an alliance self-insuring pursuant to this section  
40 shall not be construed as authorizing an alliance to otherwise  
41 act as an insurer.

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

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45       Between line(s) 2 and 3, insert:  
46       395.106, F.S.; expanding authority for certain hospitals to form  
47       an alliance for certain purposes; authorizing reinsurance  
48       companies to issue coverage to certain self-insuring alliances  
49       under certain circumstances; providing for considering certain  
50       alliances as insurers for certain purposes; providing for  
51       alliance reinsurance contracts to receive the same tax treatment  
52       as reinsurance contracts issued to insurance companies;  
53       providing an exception; amending s.