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CHAMBER ACTION

<u>Senate</u>	.	<u>House</u>
Comm: TP	.	
4/8/2008	.	
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The Committee on Banking and Insurance (Bennett) recommended the following **amendment**:

Senate Amendment (with title amendment)

Delete lines 259-261

and insert:

3. Notwithstanding any other provisions of law, any three or more condominium associations may form a self-insurance fund for the purposes of pooling and spreading the liabilities of its participant associations arising from the deductible provisions of the commercial lines residential property insurance policies of the participants applicable to hurricane losses, if:

a. Such fund is a not-for-profit fund.

b. The fund is implemented through contracts among the participating associations, or through contracts between the participating associations and another legal entity established for and limited to establishing and implementing the program.



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18 c. The liability of the fund for claims is limited to funds
19 available for the payment of claims.

20 d. The contract provided to a participating association
21 clearly discloses the obligations of the participants in the fund
22 and the obligations of the fund, including the limited liability
23 of the fund as defined in sub-subparagraph c. The contract may
24 specify a reasonable date for the payment of claims which
25 provides the fund with adequate time to verify and account for
26 all claims for a given year so that claims payments can be
27 properly calculated after consideration of the funds available.
28 Before execution of the contract, the association or its
29 representative must be provided a separate disclosure form
30 specifying the limited liability of the fund and all
31 administrative fees and estimated expenses, and providing
32 examples of the manner in which available funds will be allocated
33 among claimants if claims exceed the funds available for the
34 payment thereof. Such disclosure must be signed by a
35 representative of the participating association before or at the
36 time of execution of the contract.

37 e. The contributions charged for participating in the fund
38 are established by the fund and calculated as a percentage of the
39 participant's hurricane deductible dollar amount. The fund may
40 determine the method and timing of payment of contributions.

41 f. The majority of the governing board of the fund are
42 participants in the fund and the governing body shall have all
43 powers necessary to establish and administer the fund as
44 authorized by the participants in the fund.

45 g. The fund uses and contracts with knowledgeable persons
46 or business entities to administer and service the fund,



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47 including marketing, policy, contract administration, claims
48 administration, accounting services, and legal services.

49 h. The fund uses a properly licensed general lines
50 insurance agent who is a Florida resident for solicitation of
51 participation in the fund and does not prevent, impede, or
52 restrict any applicant or participant in the fund from
53 maintaining or selecting an agent of choice. The fund may not
54 favor one or more agents over another agent.

55 i. The fund is audited by an independent auditor no less
56 frequently than every 2 years.

57 4. The fund may accumulate funds or periodically distribute
58 excess funds to its participants on a pro rata basis, reflecting
59 loss experience of individual participants and proportionate
60 contributions paid by participants.

61 5. Participants in the fund must have a deductible no
62 greater than as provided in s. 627.701(8).

63
64 Self-insurance funds or pools established pursuant to this
65 paragraph are not subject to licensure requirements or regulation
66 pursuant to the Florida Insurance Code except for part IX of
67 chapter 626, and are not subject to any fees, taxes, or
68 assessments related to the writing or transaction of insurance in
69 this state.

70
71 ===== T I T L E A M E N D M E N T =====

72 And the title is amended as follows:

73 Delete lines 10 and 11

74 and insert:

75 insurance; providing that any three or more condominium
76 associations may form a self-insurance fund for certain



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77 | purposes under certain conditions; requiring that the
78 | contract for participating in the fund disclose certain
79 | information and contain certain provisions; requiring that
80 | a disclosure be provided to an association before
81 | execution of such contract; requiring that such disclosure
82 | contain certain information; providing for the charging of
83 | contributions for participation in the fund; requiring
84 | that the majority of the governing board of the fund be
85 | participants in the fund; providing powers of the
86 | governing board; authorizing the fund to enter into
87 | certain contracts; requiring that the fund use a general
88 | lines agent meeting certain criteria when soliciting
89 | participation in the fund; prohibiting the fund from
90 | taking certain actions when selecting such agent;
91 | requiring that the fund be independently audited at
92 | specified intervals; authorizing the fund to accumulate
93 | funds or distribute excess funds to participants on a pro
94 | rata basis; providing for a deductible for participants in
95 | the fund; exempting such self-insurance funds from certain
96 | requirements, regulations, fees, taxes, and assessments;
97 | providing