

By Senator Gaetz

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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  
21 certain guaranty associations created pursuant to state  
22 law; providing that such self-insurance funds are not  
23 entitled to coverage under such guaranty associations;  
24 providing an effective date.

25  
26 Be It Enacted by the Legislature of the State of Florida:

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

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30 624.4621 Group self-insurance funds.--

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

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

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

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

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

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

56 2.(b) An annual evaluation of loss reserves by a qualified  
57 independent actuary as of the most recently completed fund year  
58 ~~report of financial condition.~~

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

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

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

85 624.4623 Independent Educational Institution Self-Insurance  
86 Funds.--

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87           (3) An independent educational institution self-insurance  
88 fund shall not be required to participate in, or entitled to  
89 coverage under, the guaranty associations created pursuant to  
90 parts II and V of chapter 631.

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