

By Senator Gaetz

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1 A bill to be entitled
2 An act relating to self-insurance funds; creating s.
3 624.4626, F.S.; authorizing any two or more electric
4 cooperatives to operate a self-insurance fund for
5 certain purposes; providing for membership in the
6 fund; requiring that the fund fulfill certain
7 criteria; providing for the applicability of certain
8 assessments and certain provisions of state law to
9 such a fund; amending s. 631.904, F.S.; exempting
10 certain self-insurance funds from specified provisions
11 of state law; providing an effective date.

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13 Be It Enacted by the Legislature of the State of Florida:

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15 Section 1. Section 624.4626, Florida Statutes, is created
16 to read:

17 624.4626 Electric cooperative self-insurance funds.-

18 (1) Notwithstanding any other provision of law, any two or
19 more electric cooperatives organized pursuant to chapter 425 may
20 operate a self-insurance fund for the purpose of pooling and
21 spreading liabilities of group members in securing the payment
22 of benefits under chapter 440. A self-insurance fund established
23 under this section must:

24 (a) Require that every member of the fund be jointly and
25 severally liable for the obligations of the fund;

26 (b) Maintain a continuing program of excess insurance
27 coverage and reserve evaluation to protect the financial
28 stability of the fund in an amount and manner determined by a
29 qualified and independent actuary;

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30 (c) Subscribe to, or be a member of, a rating organization
31 as prescribed in s. 627.231;

32 (d) Employ an independent certified public accountant to
33 complete an audit of its fiscal year-end financial statement
34 within 6 months after the end of the fiscal year;

35 (e) Have a governing body comprised of a representative
36 from each member of the fund;

37 (f) Limit membership in the fund to electric cooperatives
38 operating in this state, their subsidiaries, and the current
39 members of the Florida Rural Electric Self-Insurer's Fund; and

40 (g) Provide members of the fund, at renewal, a disclosure
41 statement notifying the members that the fund is not regulated
42 by the Office of insurance Regulation.

43 (2) A self-insurance fund meeting the requirements of this
44 section is subject to the assessments set forth in s.
45 624.4621(7), but is not subject to any other provision of s.
46 624.4621 and is not required to file any report with the
47 department under s. 440.38(2)(b) which is uniquely required of
48 group self-insurer funds qualified under s. 624.4621.

49 Section 2. Subsection (6) of section 631.904, Florida
50 Statutes, is amended to read:

51 631.904 Definitions.—As used in this part, the term:

52 (6) "Self-insurance fund" means a group self-insurance fund
53 authorized under s. 624.4621, a commercial self-insurance fund
54 writing workers' compensation insurance authorized under s.
55 624.462, or an assessable mutual insurer authorized under s.
56 628.6011. For purposes of this act, "self-insurance fund" does
57 not include a qualified local government self-insurance fund, as
58 defined in s. 624.4622, an independent educational institution

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59 self-insurance fund as defined in s. 624.4623, an electric
60 cooperative self-insurance fund as defined in s. 624.4626, or an
61 individual self-insurer as defined in s. 440.385.

62 Section 3. This act shall take effect July 1, 2009.