

By the Committees on Higher Education; and Communications,
Energy, and Public Utilities; and Senator Gaetz

589-04442A-09

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1 A bill to be entitled

2 An act relating to self-insurance funds; amending s.
3 624.4621, F.S.; requiring an application for workers'
4 compensation coverage issued by a group self-insurance
5 fund to notify applicants that policyholders must make
6 additional contributions to the fund if the fund is
7 unable to pay its obligations; creating s. 624.4626,
8 F.S.; authorizing any two or more electric
9 cooperatives to operate a self-insurance fund for
10 certain purposes; providing for membership in the
11 fund; requiring that the fund fulfill certain
12 criteria; providing for the applicability of certain
13 assessments and certain provisions of state law to
14 such a fund; amending s. 631.904, F.S.; exempting
15 certain self-insurance funds from specified provisions
16 of state law; providing an effective date.

17
18 Be It Enacted by the Legislature of the State of Florida:

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20 Section 1. Subsection (11) is added to section 624.4621,
21 Florida Statutes, to read:

22 624.4621 Group self-insurance funds.—

23 (11) Notwithstanding any other provision of law, each
24 application for workers' compensation coverage issued by a group
25 self-insurance fund established under this section must contain
26 in boldface and in not less than 10-point type, the following
27 statement: "This is a fully assessable policy. If the fund is
28 unable to pay its obligations, policyholders must contribute, on
29 a pro rata earned premium basis, the money necessary to meet any

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30 unfilled obligations.” If the application is signed by the
31 applicant, the applicant is deemed to have made an informed,
32 knowing acceptance of the assessment liability that exists as a
33 result of participation in the fund.

34 Section 2. Section 624.4626, Florida Statutes, is created
35 to read:

36 624.4626 Electric cooperative self-insurance funds.—

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

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

45 (b) Maintain a continuing program of excess insurance
46 coverage and reserve evaluation to protect the financial
47 stability of the fund in an amount and manner determined by a
48 qualified and independent actuary;

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

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

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

56 (f) Limit membership in the fund to electric cooperatives
57 operating in this state, their subsidiaries, and the current
58 members of the Florida Rural Electric Self-Insurer’s Fund; and

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59 (g) Provide members of the fund, at renewal, a disclosure
60 statement notifying the members that the fund is not regulated
61 by the Office of Insurance Regulation.

62 (2) A self-insurance fund meeting the requirements of this
63 section is subject to the assessments set forth in s.
64 624.4621(7) and is subject to the assessments set forth in
65 ss.440.49(9) and 440.51(1), but is not subject to any other
66 provision of s. 624.4621 and is not required to file any report
67 with the department under s. 440.38(2)(b) which is uniquely
68 required of group self-insurer funds qualified under s.
69 624.4621.

70 Section 3. Subsection (6) of section 631.904, Florida
71 Statutes, is amended to read:

72 631.904 Definitions.—As used in this part, the term:

73 (6) "Self-insurance fund" means a group self-insurance fund
74 authorized under s. 624.4621, a commercial self-insurance fund
75 writing workers' compensation insurance authorized under s.
76 624.462, or an assessable mutual insurer authorized under s.
77 628.6011. For purposes of this act, "self-insurance fund" does
78 not include a qualified local government self-insurance fund, as
79 defined in s. 624.4622, an independent educational institution
80 self-insurance fund as defined in s. 624.4623, an electric
81 cooperative self-insurance fund as defined in s. 624.4626, or an
82 individual self-insurer as defined in s. 440.385.

83 Section 4. This act shall take effect July 1, 2009.