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LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/27/2011	.	
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The Committee on Rules (Richter) recommended the following:

Senate Amendment (with title amendment)

Between lines 407 and 408

insert:

Section 6. Section 626.9894, Florida Statutes, is created to read:

626.9894 Motor vehicle insurance fraud direct-support organization.-

(1) DEFINITIONS.-As used in this section, the term:

(a) "Division" means the Division of Insurance Fraud of the Department of Financial Services.

(b) "Motor vehicle insurance fraud" means any act defined as a "fraudulent insurance act" under s. 626.989, which relates



14 to the coverage of motor vehicle insurance as described in part
15 XI of chapter 627.

16 (c) "Organization" means the direct-support organization
17 established under this section.

18 (2) ORGANIZATION ESTABLISHED.—The division may establish a
19 direct-support organization, to be known as the "Automobile
20 Insurance Fraud Strike Force," whose sole purpose is to support
21 the prosecution, investigation, and prevention of motor vehicle
22 insurance fraud. The organization shall:

23 (a) Be a not-for-profit corporation incorporated under
24 chapter 617 and approved by the Department of State.

25 (b) Be organized and operated to conduct programs and
26 activities; to raise funds; to request and receive grants,
27 gifts, and bequests of money; to acquire, receive, hold, invest,
28 and administer, in its own name, securities, funds, objects of
29 value, or other property, real or personal; and to make grants
30 and expenditures to or for the direct or indirect benefit of the
31 division, state attorneys' offices, the statewide prosecutor,
32 the Agency for Health Care Administration, and the Department of
33 Health to the extent that such grants and expenditures are to be
34 used exclusively to advance the purpose of prosecuting,
35 investigating, or preventing motor vehicle insurance fraud.
36 Grants and expenditures may include the cost of salaries or
37 benefits of dedicated motor vehicle insurance fraud
38 investigators, prosecutors, or support personnel if such grants
39 and expenditures do not interfere with prosecutorial
40 independence or otherwise create conflicts of interest which
41 threaten the success of prosecutions.

42 (c) Be determined by the division to operate in a manner



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43 that promotes the goals of laws relating to motor vehicle
44 insurance fraud, that is in the best interest of the state, and
45 that is in accordance with the adopted goals and mission of the
46 division.

47 (d) Use all of its grants and expenditures solely for the
48 purpose of preventing and decreasing motor vehicle insurance
49 fraud, and not for the purpose of lobbying as defined in s.
50 11.045.

51 (e) Be subject to an annual financial audit in accordance
52 with s. 215.981.

53 (3) CONTRACT.—The organization shall operate under written
54 contract with the division. The contract must provide for:

55 (a) Approval of the articles of incorporation and bylaws of
56 the organization by the division.

57 (b) Submission of an annual budget for the approval of the
58 division. The budget must require the organization to minimize
59 costs to the division and its members at all times by using
60 existing personnel and property and allowing for telephonic
61 meetings when appropriate.

62 (c) Certification by the division that the direct-support
63 organization is complying with the terms of the contract and in
64 a manner consistent with the goals and purposes of the
65 department and in the best interest of the state. Such
66 certification must be made annually and reported in the official
67 minutes of a meeting of the organization.

68 (d) Allocation of funds to address motor vehicle insurance
69 fraud.

70 (e) Reversion of moneys and property held in trust by the
71 organization for motor vehicle insurance fraud prosecution,



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72 investigation, and prevention to the division if the
73 organization is no longer approved to operate for the department
74 or if the organization ceases to exist, or to the state if the
75 division ceases to exist.

76 (f) Specific criteria to be used by the organization's
77 board of directors to evaluate the effectiveness of funding used
78 to combat motor vehicle insurance fraud.

79 (g) The fiscal year of the organization, which begins July
80 1 of each year and ends June 30 of the following year.

81 (h) Disclosure of the material provisions of the contract,
82 and distinguishing between the department and the organization
83 to donors of gifts, contributions, or bequests, including
84 providing such disclosure on all promotional and fundraising
85 publications.

86 (4) BOARD OF DIRECTORS.—The board of directors of the
87 organization shall consist of the following seven members:

88 (a) The Chief Financial Officer, or designee, who shall
89 serve as chair.

90 (b) Two state attorneys, one of whom shall be appointed by
91 the Chief Financial Officer and one of whom shall be appointed
92 by the Attorney General.

93 (c) Two representatives of motor vehicle insurers appointed
94 by the Chief Financial Officer.

95 (d) Two representatives of local law enforcement agencies,
96 both of whom shall be appointed by the Chief Financial Officer.

97
98 The officer who appointed a member of the board may remove that
99 member for cause. The term of office of an appointed member
100 expires at the same time as the term of the officer who



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101 appointed him or her or at such earlier time as the member
102 ceases to be qualified.

103 (5) USE OF PROPERTY.—The department may authorize, without
104 charge, appropriate use of fixed property and facilities of the
105 division by the organization, subject to this subsection.

106 (a) The department may prescribe any condition with which
107 the organization must comply in order to use the division's
108 property or facilities.

109 (b) The department may not authorize the use of the
110 division's property or facilities if the organization does not
111 provide equal membership and employment opportunities to all
112 persons regardless of race, religion, sex, age, or national
113 origin.

114 (c) The department shall adopt rules prescribing the
115 procedures by which the organization is governed and any
116 conditions with which the organization must comply to use the
117 division's property or facilities.

118 (6) CONTRIBUTIONS.—Any contributions made by an insurer to
119 the organization shall be allowed as appropriate business
120 expenses for all regulatory purposes.

121 (7) DEPOSITORY.—Any moneys received by the organization may
122 be held in a separate depository account in the name of the
123 organization and subject to the provisions of the contract with
124 the division.

125 (8) DIVISION'S RECEIPT OF PROCEEDS.—If the division
126 receives proceeds from the organization, those proceeds shall be
127 deposited into the Insurance Regulatory Trust Fund.

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129 ===== T I T L E A M E N D M E N T =====



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130 And the title is amended as follows:
131 Delete line 19
132 and insert:
133 certain crimes; creating s. 626.9894, F.S.; providing
134 definitions; authorizing the Division of Insurance
135 Fraud to establish a direct-support organization for
136 the purpose of prosecuting, investigating, and
137 preventing motor vehicle insurance fraud; providing
138 requirements for the organization and the
139 organization's contract with the division; providing
140 for a board of directors; authorizing the organization
141 to use the division's property and facilities subject
142 to certain requirements; authorizing contributions
143 from insurers; providing that any moneys received by
144 the organization may be held in a separate depository
145 account in the name of the organization; requiring the
146 division to deposit certain proceeds into the
147 Insurance Regulatory Trust Fund; amending s. 627.4133,
148 F.S.; changing