

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on General Government

BILL: CS/SB 1134

INTRODUCER: Banking and Insurance Committee and Senator Hays

SUBJECT: Blanket Health Insurance

DATE: April 1, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Johnson</u>	<u>Knudson</u>	<u>BI</u>	<u>Fav/CS</u>
2.	<u>Betta</u>	<u>DeLoach</u>	<u>AGG</u>	<u>Pre-meeting</u>
3.	_____	_____	<u>FP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1134 expands and clarifies the types of special groups of individuals that may be covered by a blanket health insurance policy or contract. Blanket health insurance covers special groups of individuals under a master policy or contract, as delineated in s. 627.659, F.S., generally while they are engaging in specified activities or operations.

There is no fiscal impact to the state.

The bill is effective July 1, 2015.

II. Present Situation:

The Office of Insurance Regulation (OIR) licenses and regulates the activities of insurers, health maintenance organizations, and other risk-bearing entities.¹ Blanket health insurance covers special groups of individuals under a policy or contract issued to the following groups:²

- A common carrier;
- An employer;
- A volunteer fire department;
- A school, school district, college, university, or other institution of learning;

¹ Section 20.121(3)(a)1., F.S.

² Section 627.659, F.S.

- An organization or branch of the Boys Scouts of America, Future Farmers of America, religious or educational organizations, or similar organizations;
- An individual, firm, or corporation holding or operating summer camps or other meetings;
- A newspaper;
- A health care provider;
- An HMO; and
- Other specified entities.

Blanket policies and contracts are issued to a policyholder, such as a school, business, or an organization, and provide coverage to a group of individuals or participants who share a common activity or operation of the policyholder. An individual application is not required from an individual covered under a blanket health insurance policy or contract. Generally, the insurer is not required to provide a written certificate of the insurance coverage to each insured person.³ The certificate is subject to filing and approval with the OIR pursuant to ss. 627.410 and 627.640, F.S.

III. Effect of Proposed Changes:

The bill substantially revises and expands the special groups of individuals that are eligible under a blanket health insurance policy or contract. The bill would expand the special groups to include policies or contracts issued to:

- An operator, an owner, or a lessee of a means of transportation. Currently, a common carrier is eligible.
- Employers covering insured employees' dependents or guests, who are defined by reference to an activity or operation of the policyholder.
- Emergency management groups.
- Organization or branches of an instructional, charitable, recreational, or civic body.
- Individuals, firms, or corporations holding or operating meetings, such as meetings for educational, charitable, or civic purposes.
- Other publishers besides newspapers.
- Coordinators of health services.
- Sports teams or camps, or a sponsors thereof.
- Travel agencies or other organizations that provides travel-related services.
- Associations having at least 25 individuals that has been organized and maintained for one year for purposes other than that of obtaining insurance coverage.
- Banks or other financial institutions, vendors of the institution, or parent holding companies of the institution.
- Trustees or agents of a financial institution, vendor, or company.

The bill takes effect July 1, 2015.

³ An insurer is required to furnish a written certificate disclosing the essential features of the coverage to each person covered under a policy issued pursuant to s. 627.659(3), F.S., relating to policies issued to a school, district school system, college, university, or other institution of learning. Section 627.660(6), F.S.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

CS/SB 1134 would allow additional groups to obtain blanket health insurance coverage. According to advocates of the bill, although this coverage is not a substitute for liability insurance, such blanket policies may assist in reducing liability claims and offer reimbursement to participants for medical and other accidental injury-related expenses.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

In several sections of the bill, additional groups and covered persons are not clearly defined or not defined, thus creating ambiguity as to whether a group or person is eligible. For example, s. 627.659(4), F.S., is amended to include “emergency management groups,” which is a term not defined. Section 627.659(7), F.S., is amended to expand eligibility for blanket health to a “coordinator of health services” with no definition of the term. Section 627.659(12), F.S., is amended to expand eligibility for blanket health to a bank or other financial institution, a vendor, or a parent holding company, with no limitation on what constitutes an eligible “other financial institution,” vendor, or parent holding company.

Section 627.659(11), F.S., is created to provide blanket coverage for associations. Currently, ss. 627.6515 and 627.654, F.S., authorizes the issuance of health policies to associations.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 627.659 of the Florida Statutes.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Banking and Insurance on March 17, 2015:

The CS eliminates the discretionary authority of the OIR to determine additional risks or classes of risks not specified in statute that would be eligible for blanket health insurance coverage.

- B. **Amendments:**

None.