

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 Committee on Banking and Insurance

BILL: SB 1134

INTRODUCER: Senator Hays

SUBJECT: Blanket Health Insurance

DATE: March 16, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Knudson	BI	Pre-meeting
2.	_____	_____	AGG	_____
3.	_____	_____	FP	_____

I. Summary:

SB 1134 expands and clarifies the types of specific groups of individuals covered by a blanket health insurance policy or contract. The bill also provides the Office of Insurance Regulation with discretionary authority to approve eligibility for other groups not specified in law to obtain a blanket coverage based on an individual risk, a class of risks, or both. 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.

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;
- 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.

¹ Section 20.121(3)(a)1., F.S.

² Section 627.659, F.S.

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.
- An employer covering insured employees' dependents or guests, who are defined by reference to an activity or operation of the policyholder.
- An emergency management group.
- An organization or branch of an instructional, charitable, recreational, or civic body.
- An individual, firm, or corporation holding or operating meetings, such as meetings for educational, charitable, or civic purposes.
- Other publishers besides newspapers.
- A Coordinator of health services.
- A sports team or camp, or a sponsor thereof.
- A travel agency or other organization that provides travel-related services.
- An association having at least 25 individuals that has been organized and maintained for one year for purposes other than that of obtaining insurance coverage.
- A bank or other financial institution, a vendor of the institution, or a parent holding company of the institution.
- A trustee or agent of a financial institution, vendor, or company.

The bill provides the OIR commissioner with the discretion to determine additional risks or classes of risks as "properly eligible" for blanket health insurance coverage. The bill authorizes the OIR commissioner to exercise this discretion on an individual-risk, a class of risks, or both.

The bill takes effect July 1, 2015.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

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.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

The authority given in the bill to the Office of Insurance Regulation may raise the issue of an unlawful delegation of legislative authority to the executive branch. The bill provides the commissioner of the OIR with the discretion to determine additional risks or class of risks as “properly eligible” for blanket health insurance coverage. The bill authorizes the commissioner of the OIR to exercise its discretion on an individual-risk, a class of risks, or both.

Article II, Section 3, of the Florida Constitution, establishes a doctrine of separation of powers, providing that no branch may exercise powers appertaining to the other branches. Interpreting this doctrine in the context of the Legislature delegating authority to the executive, the Florida Supreme Court has stated that, “where the Legislature makes the fundamental policy decision and delegates to some other body the task of implementing that policy under adequate safeguards, there is no violation of the doctrine.” *Askew v. Cross Key Waterways*, 372 So.2d 913 (Fla. 1978). However, “[w]hen the statute is couched in vague and uncertain terms or is so broad in scope that no one can say with certainty, from the terms of the law itself, what would be deemed an infringement of the law, it must be held unconstitutional as attempting to grant to the administrative body the power to say what the law shall be.” *Conner v. Joe Hatton, Inc.*, 216 So.2d 209 (Fla. 1968).

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

The bill 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., authorize health policies to be issued to associations.

The authority given in the bill to the Office of Insurance Regulation may raise the issue of an unlawful delegation of legislative authority to the executive branch. Section 627.659(13), F.S., of the bill provides the OIR commissioner with the discretion to determine additional risks or class of risks as “properly eligible” for blanket health insurance coverage. The bill does not provide standards or rulemaking for the OIR to implement this provision.

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 Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.