

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	—	(Y/N)
ADOPTED AS AMENDED	—	(Y/N)
ADOPTED W/O OBJECTION	—	(Y/N)
FAILED TO ADOPT	—	(Y/N)
WITHDRAWN	—	(Y/N)
OTHER	—	

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1 Committee/Subcommittee hearing bill: Government Operations  
2 Appropriations Subcommittee  
3 Representative La Rosa offered the following:  
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5 **Amendment (with title amendment)**

6 Remove everything after the enacting clause and insert:  
7 Section 1. Subsection (1) of section 624.4625, Florida  
8 Statutes, is amended to read  
9 624.4625 Corporation not for profit self-insurance funds.-  
10 (1) Notwithstanding any other provision of law, any two or  
11 more corporations not for profit located in and organized under  
12 the laws of this state may form a self-insurance fund for the  
13 purpose of pooling and spreading liabilities of its group  
14 members in any one or combination of property or casualty risk,  
15 provided the corporation not for profit self-insurance fund that  
16 is created:

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17 (b) Requires for qualification that each participating  
18 member receive at least 75 percent of its revenues from:

19 1. Local, state, or federal governmental sources or a  
20 combination of such sources; or-

21 2. The public as evidenced on the organization's most  
22 recent Internal Revenue Service Form 990 or Form 990-EZ, and  
23 Schedule A and is a publicly supported organization under  
24 s.501(c) (3) of the Internal Revenue Code.

25 (c) Uses a qualified actuary to determine rates using  
26 accepted actuarial principles and annually submits to the office  
27 a certification by the actuary that the rates are actuarially  
28 sound and are not inadequate, as defined in s. 627.062.

29 (d) Uses a qualified actuary to establish reserves for loss  
30 and loss adjustment expenses and annually submits to the office  
31 a certification by the actuary that the loss and loss adjustment  
32 expense reserves are adequate. If the actuary determines that  
33 reserves are not adequate, the fund shall file with the office a  
34 remedial plan for increasing the reserves or otherwise  
35 addressing the financial condition of the fund, subject to a  
36 determination by the office that the fund will operate on an  
37 actuarially sound basis and the fund does not pose a significant  
38 risk of insolvency.

39 (e) A fund with at least one member qualifying solely under  
40 subparagraph (b)2. shall:

41 1. Maintain surplus in a positive amount with the loss  
42 and loss adjustment expense reserve at the 70 percent confidence

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43 level as of the end of the fiscal year as determined by the  
44 qualified actuary specified in paragraph (d).

45 2. If a fund does not maintain surplus in a positive amount  
46 with the loss and loss adjustment expense reserve at the 70  
47 percent confidence level, a fund shall file with the office a  
48 remedial plan addressing the financial condition of the fund,  
49 subject to a determination by the office that the fund will  
50 operate on an actuarially sound basis and the fund does not pose  
51 a significant risk of insolvency.

52 (f) A corporation not for profit self-insurance fund  
53 operating under this section prior to July 1, 2015 shall have  
54 until July 1, 2020 to comply with subsection (e).

55 (g)~~(e)~~ Maintains a continuing program of excess insurance  
56 coverage and reserve evaluation to protect the financial  
57 stability of the fund in an amount and manner determined by a  
58 qualified actuary. At a minimum, this program must:

59 1. Purchase excess insurance from authorized insurance  
60 carriers or eligible surplus lines insurers or reinsurers. Any  
61 entity providing such excess insurance shall have a rating of A-  
62 or higher from a statistical rating organization deemed  
63 acceptable by the commissioner.

64 2. Retain a per-loss occurrence that does not exceed  
65 \$350,000

66 Section 2. This act shall take effect July 1, 2015.

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**T I T L E   A M E N D M E N T**

Remove everything before the enacting clause and insert:  
An act relating to the regulation of not-for-profit self-  
insurance funds; amending s. 624.4625, F. S.; revising  
requirements for the formation of corporation not for profit  
self-insurance funds; providing an effective date.