

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WITHDRAWN \_\_\_\_\_ (Y/N)  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

---

1 Committee/Subcommittee hearing bill: Commerce Committee  
2 Representative Shaw offered the following:

3  
4 **Amendment (with title amendment)**

5 Remove everything after the enacting clause and insert:

6  
7 Section 1. Subsections (1) and (7) of section 624.46226,  
8 Florida Statutes, are amended to read:

9 624.46226 Public housing authorities self-insurance funds;  
10 exemption for taxation and assessments.—

11 (1) Notwithstanding any other provision of law, any two or  
12 more public housing authorities in the state as defined in  
13 chapter 421 may form a self-insurance fund for the purpose of  
14 pooling and spreading liabilities of its members as to any one  
15 or combination of casualty risk or real or personal property  
16 risk of every kind and every interest in such property against

264643 - h0421-strike.docx

Published On: 3/28/2017 8:51:46 PM

Amendment No. 1

17 | loss or damage from any hazard or cause and against any loss  
18 | consequential to such loss or damage, provided the self-  
19 | insurance fund that is created:

20 |       (a) Has annual normal premiums in excess of \$5 million.

21 |       (b) Uses a qualified actuary to determine rates using  
22 | accepted actuarial principles and annually submits to the office  
23 | a certification by the actuary that the rates are actuarially  
24 | sound and are not inadequate, as defined in s. 627.062.

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

35 |       (d) Maintains a continuing program of excess insurance  
36 | coverage and reserve evaluation to protect the financial  
37 | stability of the fund in an amount and manner determined by a  
38 | qualified and independent actuary. At a minimum, this program  
39 | must:

40 |           1. Purchase excess insurance from authorized insurance  
41 | carriers or eligible surplus lines insurers.

Amendment No. 1

42           2. Retain a per-loss occurrence that does not exceed  
43 \$350,000.

44           (e) Submits to the office annually an audited fiscal year-  
45 end financial statement by an independent certified public  
46 accountant within 6 months after the end of the fiscal year.

47           (f) Has a governing body which is comprised entirely of  
48 commissioners of public housing authorities that are members of  
49 the public housing authority self-insurance fund or persons  
50 appointed by the commissioners of public housing authorities  
51 that are members of the public housing authority self-insurance  
52 fund.

53           (g) Uses knowledgeable persons or business entities to  
54 administer or service the fund in the areas of claims  
55 administration, claims adjusting, underwriting, risk management,  
56 loss control, policy administration, financial audit, and legal  
57 areas. Such persons must meet all applicable requirements of law  
58 for state licensure and must have at least 5 years' experience  
59 with commercial self-insurance funds formed under s. 624.462,  
60 self-insurance funds formed under s. 624.4622, or domestic  
61 insurers.

62           (h) Submits to the office copies of contracts used for its  
63 members that clearly establish the liability of each member for  
64 the obligations of the fund.

65           (i) Annually submits to the office a certification by the  
66 governing body of the fund that, to the best of its knowledge,

264643 - h0421-strike.docx

Published On: 3/28/2017 8:51:46 PM

Amendment No. 1

67 the requirements of this section are met.

68

69 A for-profit or not-for-profit corporation, limited liability  
70 company, or other similar business entity in which a public  
71 housing authority holds an ownership interest or participates in  
72 its governance under s. 421.08(8) may join a self-insurance fund  
73 formed under this section in which such public housing authority  
74 participates. Such for-profit or not-for-profit corporation,  
75 limited liability company, or other similar business entity may  
76 join the self-insurance fund solely to insure risks related to  
77 public housing.

78 (7) Reinsurance companies complying with s. 624.610 may  
79 issue coverage directly to a public housing authority or an  
80 entity organized by a public housing authority under s.  
81 421.08(8) if such public housing authority or entity self-  
82 insures ~~self-insuring~~ its liabilities under this section. A  
83 public housing authority purchasing reinsurance or an entity  
84 that is organized by a public housing authority under s.  
85 421.08(8) and that is purchasing reinsurance shall be considered  
86 an insurer for the sole purpose of entering into such  
87 reinsurance contracts. Contracts of reinsurance issued to public  
88 housing authorities self-insuring under this section or to  
89 entities that are organized by public housing authorities under  
90 s. 421.08(8) and that are self-insuring under this section shall  
91 receive the same tax treatment as reinsurance contracts issued

264643 - h0421-strike.docx

Published On: 3/28/2017 8:51:46 PM

Amendment No. 1

92 to insurance companies. However, the purchase of reinsurance  
93 coverage by a public housing authority self-insuring under this  
94 section or by an entity that is organized by a public housing  
95 authority under s. 421.08(8) and that is self-insuring under  
96 this section shall not be construed as authorization to  
97 otherwise act as an insurer.

98 Section 2. This act shall take effect July 1, 2017.  
99

100 -----  
101 **T I T L E A M E N D M E N T**

102 Remove everything before the enacting clause and insert:

103 A bill to be entitled

104 An act relating to public housing authority insurance; amending  
105 s. 624.46226, F.S.; authorizing certain business entities to  
106 join, solely for a specified purpose, self-insurance funds  
107 participated in by public housing authorities who hold ownership  
108 interests in or who participate in governing such entities;  
109 authorizing reinsurance companies to issue coverage directly to  
110 certain self-insuring entities organized by a public housing  
111 authority under certain circumstances; specifying that such  
112 entities are considered insurers under certain circumstances;  
113 requiring that reinsurance contracts issued to such entities  
114 receive the same tax treatment as contracts issued to insurance  
115 companies; revising construction; providing an effective date.  
116