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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/31/2023	.	
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The Committee on Banking and Insurance (Calatayud) recommended the following:

Senate Amendment (with title amendment)

Delete lines 33 - 95
and insert:

4. A bona fide group is a group or an association of employers which meets all of the following requirements:

a. The primary purpose of the group or association may be to offer and provide health coverage to its employer members and their employees. However, the group or association must also have at least one substantial business purpose unrelated to such



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11 primary purpose. For purposes of this sub-subparagraph, a
12 substantial business purpose is deemed to exist if the group or
13 association would be a viable entity in the absence of
14 sponsoring an employee benefit plan. A substantial business
15 purpose includes promoting common business interests of its
16 members or the common economic interests in a given trade or
17 employer community and is not required to be a for-profit
18 activity.

19 b. Each employer member of the group or association which
20 participates in the group health plan is a person acting
21 directly as an employer of at least one employee who is a
22 participant covered under the plan.

23 c. The group or association has a formal organizational
24 structure with a governing body and has bylaws or other similar
25 indications of formality.

26 d. The functions and activities of the group or association
27 are controlled by its employer members, and the group's or
28 association's employer members that participate in the group
29 health plan control the plan. Control must be present both in
30 form and in substance.

31 e. The employer members have a principal place of business
32 in the same region that does not exceed the boundaries of a
33 single state or metropolitan area, even if the metropolitan area
34 includes more than one state.

35 f. The group or association does not make health coverage
36 through the group's or association's group health plan available
37 to any person other than:

38 (I) An employee of a current employer member of the group
39 or association;



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40 (II) A former employee of a current employer member of the
41 group or association who became eligible for coverage under the
42 group health plan when the former employee was an employee of
43 the employer; or

44 (III) A beneficiary, such as a spouse or dependent child,
45 of an individual described in sub-sub-subparagraph (I) or sub-
46 sub-subparagraph (II).

47 g. The group or association and the health coverage offered
48 by the group or association comply with the nondiscrimination
49 provisions of s. 627.6699.

50 h. The group or association is not a health insurance
51 issuer as defined in s. 733(b)(2) of the Employee Retirement
52 Income Security Act of 1974, 29 U.S.C. s. 1191b(b)(2), or owned
53 or controlled by such a health insurance issuer or by a
54 subsidiary or affiliate of such a health insurance issuer, other
55 than to the extent such entities participate in the group or
56 association in their capacity as employer members of the group
57 or association.

58
59 The requirements of this paragraph do not apply to an
60 arrangement licensed before April 1, 1995, regardless of the
61 nature of its business. However, an arrangement exempt from the
62 requirements of this paragraph may not expand the nature of its
63 business beyond that set forth in the articles of incorporation
64 of its sponsoring association as of April 1, 1995, except as
65 authorized in this paragraph.

66 Section 2. Paragraph (a) of subsection (1) of section
67 627.654, Florida Statutes, is amended to read:

68 627.654 Labor union, association, and small employer health



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69 alliance groups.-

70 (1) (a) A bona fide group as defined in s. 624.438(1) (b) 4.,
71 an or association of employers, ~~as defined in 29 C.F.R. part~~
72 ~~2510.3-5,~~ or a group of individuals may be insured under a
73 policy issued to an association, including a labor union, which
74 association has a constitution and bylaws and which has been
75 organized for purposes in addition to that of obtaining
76 insurance, or to the trustees of a fund established by such an
77 association, which association or trustees shall be deemed the
78 policyholder, insuring at least 15 individual members of the
79 association for the benefit of persons other than the officers
80 of the association, the association, or trustees.

81 Section 3. This act shall take effect upon becoming a law.

82

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

84 And the title is amended as follows:

85 Between lines 5 and 6

86 insert:

87 amending s. 627.654, F.S.; conforming a provision to
88 changes made by the act;