

Senate Bill No. 1986

An act relating to group insurance for public officers, employees, and volunteers; amending s. 112.08, F.S.; prescribing procedure for a local governmental unit to replace health insurance when the contracting provider becomes financially impaired or fails or refuses to provide coverage; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (a) of subsection (2) of section 112.08, Florida Statutes, is amended to read:

112.08 Group insurance for public officers, employees, and certain volunteers; physical examinations.—

(2)(a) Every local governmental unit is authorized to provide and pay out of its available funds for all or part of the premium for life, health, accident, hospitalization, legal expense, or annuity insurance, or all or any kinds of such insurance, for the officers and employees of the local governmental unit and for health, accident, hospitalization, and legal expense insurance for the dependents of such officers and employees upon a group insurance plan and, to that end, to enter into contracts with insurance companies or professional administrators to provide such insurance. Before entering any contract for insurance, the local governmental unit shall advertise for competitive bids; and such contract shall be let upon the basis of such bids. If a contracting health insurance provider becomes financially impaired as determined by the Department of Insurance or otherwise fails or refuses to provide the contracted-for coverage or coverages, the local government may purchase insurance, enter into risk-management programs, or contract with third-party administrators and may make such acquisitions by advertising for competitive bids or by direct negotiations and contract. ~~However,~~ The local governmental unit may undertake simultaneous negotiations with those companies which have submitted reasonable and timely bids and are found by the local governmental unit to be fully qualified and capable of meeting all servicing requirements. Each local governmental unit may self-insure any plan for health, accident, and hospitalization coverage or enter into a risk management consortium to provide such coverage, subject to approval based on actuarial soundness by the Department of Insurance; and each shall contract with an insurance company or professional administrator qualified and approved by the Department of Insurance to administer such a plan.

Section 2. This act shall take effect upon becoming a law.

Approved by the Governor May 31, 2001.

Filed in Office Secretary of State May 31, 2001.