

Committee Substitute for Senate Bill No. 2462

An act relating to group self-insurance funds; amending s. 624.4621, F.S.; authorizing the board of trustees of certain self-insurers to declare any moneys in excess of the amount necessary to fund all obligations of the self-insurer as refundable to the members or policyholders of the self-insurer; authorizing the board to distribute such dividends or premium refunds at the board's discretion, in accordance with the agreement establishing the self-insurer; providing limitations; requiring that such self-insurers receive prior written approval from the office for any dividend or premium refunds during a specified period after such self-insurers commence operations; requiring that a notice or request for refund contain certain information; providing for the submission of certain information to the Office of Insurance Regulation if a self-insurer does not make or declare a dividend or member distribution payable during a given fund year; requiring that the office issue a decision within a specified period after receiving a request; providing an effective date.

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

Section 1. Subsection (5) of section 624.4621, Florida Statutes, is amended to read:

624.4621 Group self-insurance funds.—

(5) A dividend or premium refund of any self-insurer established under this section, otherwise earned, may not be made contingent upon continued membership in the fund, renewal of any policy, or the payment of renewal premiums for membership in the fund or on any policy issued by such self-insurer.

(a) For any self-insurer established under this section before June 1, 2008, the board of trustees of the self-insurer may declare any moneys in excess of the amount necessary to fund all obligations of the self-insurer as refundable to the members or policyholders of the self-insurer. The board of trustees may distribute such dividends or premium refunds at the board's discretion, in accordance with the agreement establishing the self-insurer and subject to the following limitations:

1. The amount of the distribution may not exceed the total sum of the dividends declared and unpaid to policyholders and unassigned funds as recorded on the most recently completed audited financial statements of the self-insurer.

2. The payment of the dividend or premium refund may not jeopardize the financial condition of the self-insurer or result in the self-insurer having a negative unassigned funds balance.

3. Notice of the dividend shall be submitted to the office no later than 10 days after the date on which payment of a dividend or premium refund is made.

(b) For any self-insurer established under this section after June 1, 2008, such self-insurer must receive prior written approval from the office for any dividend or premium refunds during its first 7 years of operation. The office shall issue a decision within 60 days after receiving a request for a dividend or premium refund.

(c) The notice or request submitted to the office for a dividend must contain ~~Before making any dividend or premium refund, the group self-insurer shall submit to the office the following information:~~

1.(a) An Audited certified financial statements as of the most recently completed fund year statement.

2.(b) An Annual evaluations of loss reserves by a qualified independent actuary as of the most recently completed fund year report of financial condition.

~~(c) A loss reserve review by a qualified actuary.~~

(d) If a self-insurer does not make or declare a dividend or member distribution payable during a given fund year, the required information listed in paragraph (c) paragraphs (a)-(e) shall be submitted annually, no later than 7 months after the end of the group self-insurer's fund year. A request for such dividend or premium refund may not be made before the required information is filed.

(e) The notice or request submitted to the office request for such dividend or premium refund must include a resolution of the board of trustees of the group self-insurer stating the requesting approval of a specific amount that has been paid or that is sought to be paid to the members or policyholders to be distributed. A dividend, premium refund, or premium discount or credit must not discriminate on the basis of continued coverage or continued membership in the group self-insurer. The office shall review the request and shall issue a decision within 60 days after the filing. Failure to issue a decision within 60 days constitutes an approval of the request. Any dividend or premium refund that approved by the office for distribution which cannot be paid to the applicable member or policyholder or former member or policyholder of the group self-insurer because the former member or policyholder cannot be reasonably located becomes ~~shall become~~ the property of the group self-insurer.

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

Approved by the Governor June 17, 2008.

Filed in Office Secretary of State June 17, 2008.