

CHAPTER 2015-42

Committee Substitute for Committee Substitute for Committee Substitute for Senate Bill No. 252

An act relating to insurance; amending s. 408.909, F.S.; revising the due date for an annual report relating to health flex plans which must be submitted by the Office of Insurance Regulation and the Agency for Health Care Administration; amending s. 440.13, F.S.; revising the due date for a biennial report relating to methods to improve the workers' compensation health care delivery system which must be submitted by a certain three-member panel; amending s. 624.413, F.S.; increasing the number of years that a specified examination report remains valid and may be considered for the purpose of applying for a certificate of authority; amending s. 624.425, F.S.; providing that the absence of a countersignature does not affect the validity of a policy or contract of insurance; amending s. 627.211, F.S.; revising the due date for an annual report relating to certain workers' compensation issues which must be submitted by the office; amending s. 627.971, F.S.; providing that the term "financial guaranty insurance" does not include guarantees of higher education loans unless written by a financial guaranty insurance corporation; providing an effective date.

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

Section 1. Subsection (9) of section 408.909, Florida Statutes, is amended to read:

408.909 Health flex plans.—

(9) PROGRAM EVALUATION.—The agency and the office shall evaluate the pilot program and its effect on the entities that seek approval as health flex plans, on the number of enrollees, and on the scope of the health care coverage offered under a health flex plan; shall provide an assessment of the health flex plans and their potential applicability in other settings; shall use health flex plans to gather more information to evaluate low-income consumer driven benefit packages; and shall, by January 15, 2016 ~~January 1, 2005~~, and annually thereafter, jointly submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

Section 2. Paragraph (e) of subsection (12) of section 440.13, Florida Statutes, is amended to read:

440.13 Medical services and supplies; penalty for violations; limitations.

(12) CREATION OF THREE-MEMBER PANEL; GUIDES OF MAXIMUM REIMBURSEMENT ALLOWANCES.—

(e) In addition to establishing the uniform schedule of maximum reimbursement allowances, the panel shall:

1. Take testimony, receive records, and collect data to evaluate the adequacy of the workers' compensation fee schedule, nationally recognized fee schedules and alternative methods of reimbursement to health care providers and health care facilities for inpatient and outpatient treatment and care.

2. Survey health care providers and health care facilities to determine the availability and accessibility of workers' compensation health care delivery systems for injured workers.

3. Survey carriers to determine the estimated impact on carrier costs and workers' compensation premium rates by implementing changes to the carrier reimbursement schedule or implementing alternative reimbursement methods.

4. Submit recommendations on or before January 15, 2017 ~~January 1, 2003~~, and biennially thereafter, to the President of the Senate and the Speaker of the House of Representatives on methods to improve the workers' compensation health care delivery system.

The department, as requested, shall provide data to the panel, including, but not limited to, utilization trends in the workers' compensation health care delivery system. The department shall provide the panel with an annual report regarding the resolution of medical reimbursement disputes and any actions pursuant to subsection (8). The department shall provide administrative support and service to the panel to the extent requested by the panel. For prescription medication purchased under the requirements of this subsection, a dispensing practitioner shall not possess such medication unless payment has been made by the practitioner, the practitioner's professional practice, or the practitioner's practice management company or employer to the supplying manufacturer, wholesaler, distributor, or drug repackager within 60 days of the dispensing practitioner taking possession of that medication.

Section 3. Paragraph (f) of subsection (1) of section 624.413, Florida Statutes, is amended to read:

624.413 Application for certificate of authority.—

(1) To apply for a certificate of authority, an insurer shall file its application therefor with the office, upon a form adopted by the commission and furnished by the office, showing its name; location of its home office and, if an alien insurer, its principal office in the United States; kinds of insurance to be transacted; state or country of domicile; and such additional information as the commission reasonably requires, together with the following documents:

(f) If a foreign or alien insurer, a copy of the report of the most recent examination of the insurer certified by the public official having supervision of insurance in its state of domicile or of entry into the United States. The end

of the most recent year covered by the examination must be within the 5-year ~~3-year~~ period preceding the date of application. In lieu of the certified examination report, the office may accept an audited certified public accountant’s report prepared on a basis consistent with the insurance laws of the insurer’s state of domicile, certified by the public official having supervision of insurance in its state of domicile or of entry into the United States.

Section 4. Subsection (6) is added to section 624.425, Florida Statutes, to read:

624.425 Agent countersignature required, property, casualty, surety insurance.—

(6) The absence of a countersignature required under this section does not affect the validity of a policy or contract of insurance.

Section 5. Subsection (6) of section 627.211, Florida Statutes, is amended to read:

627.211 Deviations; workers’ compensation and employer’s liability insurances.—

(6) The office shall submit an annual report to the President of the Senate and the Speaker of the House of Representatives by January 15 ~~1~~ of each year which evaluates competition in the workers’ compensation insurance market in this state. The report must contain an analysis of the availability and affordability of workers’ compensation coverage and whether the current market structure, conduct, and performance are conducive to competition, based upon economic analysis and tests. The purpose of this report is to aid the Legislature in determining whether changes to the workers’ compensation rating laws are warranted. The report must also document that the office has complied with the provisions of s. 627.096 which require the office to investigate and study all workers’ compensation insurers in the state and to study the data, statistics, schedules, or other information as it finds necessary to assist in its review of workers’ compensation rate filings.

Section 6. Paragraph (b) of subsection (1) of section 627.971, Florida Statutes, is amended to read:

627.971 Definitions.—As used in this part:

(1)

(b) However, “financial guaranty insurance” does not include:

1. Insurance of a loss resulting from an event described in paragraph (a), if the loss is payable only upon the occurrence of any of the following, as specified in a surety bond, insurance policy, or indemnity contract:

a. A fortuitous physical event;

- b. A failure of or deficiency in the operation of equipment; or
 - c. An inability to extract or recover a natural resource;
2. An individual or schedule public official bond;
 3. A court bond required in connection with judicial, probate, bankruptcy, or equity proceedings, including a waiver, probate, open estate, or life tenant bond;
 4. A bond running to a federal, state, county, municipal government, or other political subdivision, as a condition precedent to the granting of a license to engage in a particular business or of a permit to exercise a particular privilege;
 5. A loss security bond or utility payment indemnity bond running to a governmental unit, railroad, or charitable organization;
 6. A lease, purchase and sale, or concessionaire surety bond;
 7. Credit unemployment insurance on a debtor in connection with a specific loan or other credit transaction, to provide payments to a creditor in the event of unemployment of the debtor for the installments or other periodic payments becoming due while a debtor is unemployed;
 8. Credit insurance indemnifying a manufacturer, merchant, or educational institution which extends credit against loss or damage resulting from nonpayment of debts owed to her or him for goods or services provided in the normal course of her or his business;
 9. Guaranteed investment contracts that are issued by life insurance companies and that provide that the life insurer will make specified payments in exchange for specific premiums or contributions;
 10. Mortgage guaranty insurance as defined in s. 635.011(1) or s. 635.021;
 11. Indemnity contracts or similar guaranties, to the extent that they are not otherwise limited or proscribed by this part, in which a life insurer guarantees:
 - a. Its obligations or indebtedness or the obligations or indebtedness of a subsidiary of which it owns more than 50 percent, other than a financial guaranty insurance corporation, if:
 - (I) For any such obligations or indebtedness that are backed by specific assets, such assets are at all times owned by the insurer or the subsidiary; and
 - (II) For the obligations or indebtedness of the subsidiary that are not backed by specific assets of the life insurer, the guaranty terminates once the subsidiary ceases to be a subsidiary; or

b. The obligations or indebtedness, including the obligation to substitute assets where appropriate, with respect to specific assets acquired by a life insurer in the course of normal investment activities and not for the purpose of resale with credit enhancement, or guarantees obligations or indebtedness acquired by its subsidiary, provided that the assets so acquired have been:

(I) Acquired by a special purpose entity where the sole purpose is to acquire specific assets of the life insurer or the subsidiary and issue securities or participation certificates backed by such assets; or

(II) Sold to an independent third party; or

c. The obligations or indebtedness of an employee or agent of the life insurer;

12. Any form of surety insurance as defined in s. 624.606;

13. Guarantees of higher education loans, unless written by a financial guaranty insurance corporation; or

~~14.13.~~ Any other form of insurance covering risks which the office determines to be substantially similar to any of the foregoing.

Section 7. This act shall take effect July 1, 2015.

Approved by the Governor May 21, 2015.

Filed in Office Secretary of State May 21, 2015.