

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Fiscal Policy

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BILL: PCS/CS/SB 1134 (125558)

INTRODUCER: Fiscal Policy Committee (Recommended by Appropriations Subcommittee on General Government); Banking and Insurance Committee; and Senator Hays

SUBJECT: Blanket Health Insurance

DATE: April 14, 2015

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Knudson	BI	<b>Fav/CS</b>
2.	Betta	DeLoach	AGG	<b>Recommend: Fav/CS</b>
3.	Pace	Hrdlicka	FP	<b>Pre-meeting</b>

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**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

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**I. Summary:**

PCS/CS/SB 1134 expands the types of individuals and entities which are eligible for blanket health insurance coverage.

There is no fiscal impact to the state.

**II. Present Situation:**

The Office of Insurance Regulation (OIR) licenses and regulates the activities of insurers, health maintenance organizations, and other risk-bearing entities.<sup>1</sup> Blanket health insurance policies and contracts are issued to a policyholder, such as a school, business, or an organization, and provide coverage to a group of individuals or participants who share a common activity or operation of the policyholder. The coverage is for persons participating in specific activities and coverage begins and ends with the covered activity.<sup>2</sup> An individual application is not required from an individual covered under a blanket health insurance policy or contract.<sup>3</sup> Generally, the insurer is

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<sup>1</sup> Section 20.121(3)(a)1., F.S.

<sup>2</sup> Office of Insurance Regulation, *2015 Agency Bill Analysis for SB 1134*, March 6, 2015 (on file with the Senate Fiscal Policy Committee).

<sup>3</sup> Section 627.660(1), F.S.

not required to provide a written certificate of the insurance coverage to each insured person.<sup>4</sup> The certificate is subject to filing and approval with the OIR pursuant to ss. 627.410 and 627.640, F.S.

Blanket health insurance covers special groups of individuals under a policy or contract issued to the following groups:

- A common carrier;
- An employer;
- A volunteer fire department;
- A school, school district, college, university, or other institution of learning;
- An organization or branch of the Boys Scouts of America, Future Farmers of America, religious or educational organizations, or similar organizations;
- An individual, firm, or corporation holding or operating summer camps or other meetings;
- A newspaper;
- A health care provider;
- An HMO; and
- Other specified entities.<sup>5</sup>

### **III. Effect of Proposed Changes:**

The bill revises and expands the special groups of individuals that are eligible under a blanket health insurance policy or contract. The bill expands the special groups to include policies or contracts issued to:

- Operators, owners, or lessees of a means of transportation (under current law a common carrier is eligible);
- Employers covering insured employees' dependents or guests, who are defined by reference to an activity or operation of the policyholder;
- Institutions of learning covering all or any grouping of the institution's students, teachers and employees and their spouses and dependent children;
- Local emergency management agencies or other groups of first responders;
- Instructional, charitable, recreational, or civic organizations;
- Individuals, firms, or corporations holding or operating meetings for educational, charitable, or civic purposes;
- Other publishers besides newspapers;
- Coordinators of health services covering donors or surrogates;
- Sports teams or camps, or a sponsor thereof;
- Travel agencies or other organizations that provide travel-related services;
- Associations having at least 25 individuals that have been organized and maintained for 1 year for purposes other than that of obtaining insurance coverage; and
- Financial institutions, vendors or parent holding companies of a financial institution, and trustees or agents of a financial institution.

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<sup>4</sup> An insurer is required to furnish a written certificate disclosing the essential features of the coverage to each person covered under a policy issued pursuant to s. 627.659(3), F.S., relating to policies issued to a school, district school system, college, university, or other institution of learning. Section 627.660(6), F.S.

<sup>5</sup> Section 627.659, F.S.

The bill takes effect July 1, 2015.

**IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill would allow additional groups to obtain blanket health insurance coverage. According to advocates of the bill, although this coverage is not a substitute for liability insurance, such blanket policies may assist in reducing liability claims and offer reimbursement to participants for medical and other accidental injury-related expenses.

C. Government Sector Impact:

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

The OIR has indicated that the additional groups and covered persons are not well defined or not defined at all.<sup>6</sup>

**VIII. Statutes Affected:**

This bill substantially amends section 627.659 of the Florida Statutes.

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<sup>6</sup> Supra note 2.

**IX. Additional Information:**

- A. **Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**Recommended CS/CS by Appropriations Subcommittee on General Government on April 2, 2015:**

The CS revises and clarifies the groups that would be eligible for blanket health insurance coverage.

**CS by Banking and Insurance on March 17, 2015:**

The CS eliminates the discretionary authority of the OIR to determine additional risks or classes of risks not specified in statute that would be eligible for blanket health insurance coverage.

- B. **Amendments:**

None.