

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 1986

SPONSOR: Senator Sanderson

SUBJECT: Group Insurance for public officers, employees, and volunteers

DATE: March 28, 2001 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Cooper	Yeatman	CA	Favorable
2.	_____	_____	GO	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill allows a local government unit to provide health insurance coverage for its public officers, employees, and eligible volunteers when the contracting carrier becomes financially impaired or otherwise fails or refuses to provide coverage. Replacement coverage may be obtained by competitive bid or by direct negotiation and contract.

This bill amends section 112.08 of the Florida Statutes.

II. Present Situation:

Section 112.08(2), F.S., authorizes local government units, which includes any county, municipality, community college district, school board, or special district or any county constitutional officer, to provide life, health, accident, hospitalization, legal expense, or annuity insurance for their officers and employees and their dependents. To that end, local government units are authorized to enter into contracts with insurance companies or professional administrators to provide such insurance. Local governmental units are required to acquire these services through a competitive bid process. However, they may negotiate with those companies that 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.

Local governmental units also have the option to self-insure any health, accident, and hospitalization coverage plan, or they may enter into a risk management consortium to provide such coverage, subject to approval based on actuarial soundness by the Department of Insurance. The local government unit must contract with an insurance company or professional administrator qualified and approved by the Department of Insurance to administer such a plan.

Subsection (4)(a) authorizes local governmental units to provide group insurance for volunteer or auxiliary firefighters, volunteer or auxiliary law enforcement agents, or volunteer or auxiliary ambulance or emergency service personnel within its jurisdiction.

III. Effect of Proposed Changes:

Section 1 amends s. 112.08(2), F.S., to allow a local government unit to provide health insurance coverage for its public officers, employees, and eligible volunteers when the contracting carrier becomes financially impaired, as determined by the Department of Insurance, or otherwise fails to refuse to provide coverage. Replacement coverage may be obtained by competitive bid or by direct negotiation and contract.

Section 2 provides that the bill will take effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

In the event that a local government unit's health insurance provider fails to refuse to provide coverage, this bill would provide an expedited and cost effective procedure for obtaining replacement coverage.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
