

HOUSE MESSAGE SUMMARY

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BILL: CS/CS/SB's 662 & 232, 2nd Eng.
SPONSOR: Governmental Oversight and Productivity Committee, Banking and Insurance Committee, and Senators Latvala and Geller
SUBJECT: Governmental Reorganization
PREPARED BY: Senate Committee on Banking and Insurance
DATE: March 22, 2002

I. Amendments Contained in Message:

House Amendment 1 -- 873723 (body)
House Amendment 2 -- 053623 (body with title)
House Amendment 3 -- 400111 (body)
House Amendment 4 -- 024869 (body with title)

II. Summary of Amendments Contained in Message:

House Amendment 1 *deletes* the provision in the Senate bill which provides that the Division of Financial Institutions and Securities and the Division of Insurance are administratively housed within the Department of Financial Services, and for purposes of budget and personnel matters, each division must contract with the department for a sufficient number of attorneys, investigators, and other professional and administrative personnel as determined in the appropriations process. The Senate bill further requires the department to provide support services to each division pursuant to an agreement entered into between the Chief Financial Officer (CFO) and the respective division director.

In place of this provision, the House amendment provides that the two specified divisions are “independent divisions” administratively housed within the department, and for purposes of budget, purchasing, transactions involving real or personal property, and personnel and regulatory matters, the division directors shall exercise exclusive control over their division. Each of these divisions must have a sufficient number of attorneys, investigators, other professional personnel and administrative personnel as determined in the appropriations process. The amendment further requires (as does the Senate bill) that the department must provide support services to each division pursuant to an agreement between the CFO and the respective division director.

House Amendment 2 amends s. 11.1465, F.S., which currently specifies various services that the Senate and the House of Representatives shall be independently responsible for providing to their respective members and committees. The House amendment provides that notwithstanding any other provision of law, the Florida Senate and the Florida House of Representatives shall each be a proper party to, and the President of the Florida Senate and the Speaker of the Florida House of Representatives are authorized to expend funds to select and hire outside counsel to represent the respective interests of each house in any litigation challenging any legislative or

congressional redistricting plan and to intervene on behalf of each house in any action involving the validity or application of any joint resolution or statute that affects any state legislative or congressional district.

House Amendment 3 amends s. 624.307, F.S., related to general powers of the Department of Financial Services. The current law provides that the Department of Insurance may employ actuaries who are at-will employees who shall serve at the pleasure of the Insurance Commissioner. The Senate bill provided that the new Department of Financial Services may employ actuaries who are at-will employees who shall serve at the pleasure of the CFO. The House amendment provides that the new department may employ actuaries who are at-will employees who shall serve at the pleasure of the Director of the Division of Insurance. (The Senate bill provides that the Director of the Division of Insurance has final agency authority over matters within the division's jurisdiction, which includes regulation of insurance rates.)

House Amendment 4 --Amends s. 110.123(3), F.S. Current law requires the Department of Management Services to issue a request for proposal for insurance providers interested in participating in the non-health-related components of the state group insurance program. Upon receipt of all proposals, the department may enter into contract negotiations with insurance providers submitting bids, or negotiate a specially designed benefit package. Supplemental insurance products include dental coverage, accident/disability insurance, cancer and cancer/intensive care insurance, and hospitalization insurance. Insurance providers offering or providing supplemental coverage as of May 30, 1991, which qualify for pretax benefit treatment pursuant to s. 125 of the Internal Revenue Code, with 5,500 or more state employees currently enrolled "may" be included by the department in the supplemental insurance benefit plan without participating in a request for proposal, submitting bids, negotiating contracts, or negotiating a specially designed benefit package. The amendment changes "may" to "shall" and updates the reference to those plans as of May 30, 2002, that qualify for pretax benefits and with 5,500 or more state employees currently enrolled. Thus, such plans "shall" be included in the supplemental benefit package.