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LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/07/2014	.	
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The Committee on Commerce and Tourism (Abruzzo) recommended the following:

Senate Amendment (with title amendment)

Before line 11

insert:

Section 1. Subsection (1) of section 624.46226, Florida Statutes, is amended to read:

624.46226 Public housing authorities self-insurance funds; exemption for taxation and assessments.—

(1) Notwithstanding any other provision of law, any two or more public housing authorities in the state as defined in



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11 chapter 421 may form a self-insurance fund for the purpose of
12 pooling and spreading liabilities of its members as to any one
13 or combination of securing the payment of benefits under chapter
14 440, surety risk, health risk, casualty risk, or real or
15 personal property risk of every kind and every interest in such
16 person or property against loss or damage from any hazard or
17 cause and against any loss consequential to such loss or damage,
18 provided the self-insurance fund that is created:

19 (a) Has annual normal premiums in excess of \$5 million.

20 (b) Uses a qualified actuary to determine rates using
21 accepted actuarial principles and annually submits to the office
22 a certification by the actuary that the rates are actuarially
23 sound and are not inadequate, as defined in s. 627.062.

24 (c) Uses a qualified actuary to establish reserves for loss
25 and loss adjustment expenses and annually submits to the office
26 a certification by the actuary that the loss and loss adjustment
27 expense reserves are adequate. If the actuary determines that
28 reserves are not adequate, the fund shall file with the office a
29 remedial plan for increasing the reserves or otherwise
30 addressing the financial condition of the fund, subject to a
31 determination by the office that the fund will operate on an
32 actuarially sound basis and the fund does not pose a significant
33 risk of insolvency.

34 (d) Maintains a continuing program of excess insurance
35 coverage and reserve evaluation to protect the financial
36 stability of the fund in an amount and manner determined by a
37 qualified and independent actuary. At a minimum, this program
38 must:

39 1. Purchase excess insurance from authorized insurance



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40 carriers or eligible surplus lines insurers.

41 2. Retain a per-loss occurrence that does not exceed
42 \$350,000.

43 (e) Submits to the office annually an audited fiscal year-
44 end financial statement by an independent certified public
45 accountant within 6 months after the end of the fiscal year.

46 (f) Has a governing body which is comprised entirely of
47 commissioners of public housing authorities that are members of
48 the public housing authority self-insurance fund or persons
49 appointed by the commissioners of public housing authorities
50 that are members of the public housing authority self-insurance
51 fund.

52 (g) Uses knowledgeable persons or business entities to
53 administer or service the fund in the areas of claims
54 administration, claims adjusting, underwriting, risk management,
55 loss control, policy administration, financial audit, and legal
56 areas. Such persons must meet all applicable requirements of law
57 for state licensure and must have at least 5 years' experience
58 with commercial self-insurance funds formed under s. 624.462,
59 self-insurance funds formed under s. 624.4622, or domestic
60 insurers.

61 (h) Submits to the office copies of contracts used for its
62 members that clearly establish the liability of each member for
63 the obligations of the fund.

64 (i) Annually submits to the office a certification by the
65 governing body of the fund that, to the best of its knowledge,
66 the requirements of this section are met.

67
68 ===== T I T L E A M E N D M E N T =====



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69 And the title is amended as follows:

70 Delete line 2

71 and insert:

72 An act relating to insurance; amending s. 624.46226,
73 F.S.; authorizing additional coverage through a self-
74 insurance fund created by certain public housing
75 authorities; amending s.