

1989

## Session Law 89-247

Florida Senate & House of Representatives

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**H 766 GENERAL BILL/CS by Insurance; Cosgrove (Compare CS/1ST ENG/S 1177)**

**Insurance/Commercial Self-Insurers; amends provisions re commercial self-insurers to provide limitations on liability for specified participants & provides for appropriate notice. Amends 624.472,.474. Effective Date: 06/29/89.**

03/13/89 HOUSE Prefiled

03/16/89 HOUSE Referred to Insurance; Appropriations

04/03/89 HOUSE Subreferred to Subcommittee on Health and Life Insurance

04/04/89 HOUSE Introduced, referred to Insurance; Appropriations -HJ 75; Subreferred to Subcommittee on Health and Life Insurance; On Committee agenda—Insurance, 04/05/89, 11:15 am, 317-C—For ratification to subcommittee

04/20/89 HOUSE On subcommittee agenda—Insurance, 04/24/89, 1:30 pm, 317-C

04/24/89 HOUSE Subcommittee Recommendation: Favorable

04/28/89 HOUSE On Committee agenda—Insurance, 05/02/89, 4:15 pm, 317-C

05/02/89 HOUSE Preliminary Committee Action by Insurance: Favorable as a CS

05/05/89 HOUSE Comm. Report: CS by Insurance -HJ 415; CS read first time -HJ 410; Now in Appropriations -HJ 415

05/16/89 HOUSE Withdrawn from Appropriations -HJ 498; Placed on Calendar

05/17/89 HOUSE Placed on Special Order Calendar

05/24/89 HOUSE Read second time; Read third time; CS passed; YEAS 114 NAYS 0 -HJ 611

05/24/89 SENATE In Messages

05/29/89 SENATE Received, referred to Insurance -SJ 496

05/30/89 SENATE Withdrawn from Insurance -SJ 594; Placed on Calendar

06/01/89 SENATE Placed on Special Order Calendar -SJ 686; CS passed; YEAS 39 NAYS 0 -SJ 753

06/01/89 Ordered enrolled

06/13/89 Signed by Officers and presented to Governor

06/29/89 Became Law without Governor's Signature; Chapter No. 89-247

**NOTES:** Above bill history from Division of Legislative Information's *FINAL LEGISLATIVE BILL INFORMATION, 1989 SESSIONS*. Staff Analyses for bills amended beyond final committee action may not be in accordance with the enacted law. Journal page numbers (HJ & SJ) refer to daily Journals and may not be the same as final bound Journals.

STORAGE NAME: H0766-f.inj  
DATE: June 30, 1989

HOUSE OF REPRESENTATIVES  
INSURANCE COMMITTEE  
FINAL STAFF ANALYSIS & ECONOMIC IMPACT STATEMENT

BILL #: CS/HB 766  
RELATING TO: Insurance  
SPONSOR(S): Committee on Insurance & Representative Cosgrove  
EFFECTIVE DATE: Upon becoming law  
DATE BECAME LAW: June 29, 1989  
CHAPTER #: 89-247, Laws of Florida  
COMPANION BILL(S): None  
OTHER COMMITTEES OF REFERENCE: (1) Appropriations  
(2)

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I. SUMMARY:

This bill requires any commercial self-insurance fund which has governmental entities as members to segregate the obligations of the governmental entities for purposes of assessments to meet unfulfilled obligations.

A. PRESENT SITUATION:

Currently, certain trade, industry, professional, and condominium associations as well as certain self insurance trust funds, may establish a commercial self-insurance fund. A fund is formed for the purpose of pooling and spreading liabilities for any commercial property or casualty risk or surety insurance among group members.

A governmental entity may become a member of a fund if it meets the statutory qualifications for membership.

Under present law, members of a fund are individually, severally, and proportionately but not jointly liable for the obligations of the fund.

B. EFFECT OF PROPOSED CHANGES:

CS/HB 766 requires a commercial self-insurance fund which has governmental entities as members to segregate the obligations of the governmental entities when assessments are necessary to meet unfulfilled obligations. The bill limits the liability of members who are governmental entities to obligations of the fund related to governmental entities only. Such liability is

individual, several, proportionate, but not joint, except as provided by certain provisions of law. The bill requires funds with members who are governmental entities to provide a different notice than is required for funds without members who are governmental entities. Such notice must specify that members who are governmental entities will be assessed for unpaid obligations related to governmental entities and a separate notice must be sent to the members of the fund who are not governmental entities that they will be assessed for all unpaid obligations which are not related to governmental entities.

C. SECTION-BY-SECTION ANALYSIS:

None

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring or First Year Start-Up Effects:

None

2. Recurring or Annualized Continuation Effects:

None

3. Long Run Effects Other Than Normal Growth:

None

4. Appropriations Consequences:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring or First Year Start-Up Effects:

None

2. Recurring or Annualized Continuation Effects:

None

3. Long Run Effects Other Than Normal Growth:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None

2. Direct Private Sector Benefits:

None

3. Effects on Competition, Private Enterprise, and Employment Markets:

None

D. FISCAL COMMENTS:

None

III. LONG RANGE CONSEQUENCES:

This bill does not directly relate to and is not inconsistent with the goals and policies specified in the State Comprehensive Plan.

IV. COMMENTS:

The mission of the Insurance Committee is to construct insurance laws which will require payment of claims when due, promote the availability of affordable insurance, stabilize insurance rates, protect the solvency of insurance institutions, and expand the ability of companies to profit from wise investments. This bill does not relate to the specific mission of the Committee.

V. SIGNATURES:

SUBSTANTIVE COMMITTEE:  
Prepared by:

Sharon N. Jacobs  
Sharon N. Jacobs

Staff Director:

John Guthrie  
John Guthrie

SECOND COMMITTEE OF REFERENCE:  
Prepared by:

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APPROPRIATIONS:  
Prepared by:

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Staff Director:

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Staff Director:

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