

Insurance & Banking Subcommittee

Thursday, March 20, 2025
2:00 PM - 5:00 PM
Morris Hall (17 HOB)

Meeting Packet

Daniel Perez
Speaker

Bradford Yeager
Chair

The Florida House of Representatives

Commerce Committee

Insurance & Banking Subcommittee

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Meeting Agenda

Thursday, March 20, 2025
2:00 pm – 5:00 pm
Morris Hall (17 HOB)

I. Call to Order

II. Roll Call

III. Welcome and Opening Remarks

IV. Consideration of the following bill(s):

HB 999 Gold and Silver Specie as Legal Tender by Bankson

HB 1231 Insurance Claims Payments to Physicians by Black

HB 1549 Financial Institutions by Maggard

HB 1551 Attorney Fee Awards in Insurance Actions by Cassel

HM 4063 Framework for a Sovereign Wealth Fund by Anderson

V. Closing Remarks

VI. Adjournment

HB 999

FLORIDA HOUSE OF REPRESENTATIVES
BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

BILL #: HB 999	**COMPANION BILL:** SB 132 (Rodriguez)
TITLE: Gold and Silver Specie as Legal Tender	**LINKED BILLS:** None
SPONSOR(S): Bankson	**RELATED BILLS:** None

Committee References

Insurance & Banking ➤ Ways & Means ➤ Commerce

SUMMARY

Effect of the Bill:

The bill recognizes gold and silver coins ("specie") as legal tender in Florida and establishes a regulatory framework for their use in transactions. The bill exempts specie from personal property taxation and state tax liability while allowing, but not requiring, government entities to accept it for payments. Additionally, the bill includes privacy protections for users of precious metals-backed electronic payment systems and directs the Office of Financial Regulation to set rules on security, insurance, and fraud prevention.

Fiscal or Economic Impact:

None

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill recognizes gold and silver coins ("specie") as legal tender in Florida and establishes a regulatory framework for the use of specie in transactions and payments. Additionally, the bill defines terms, including "bullion," "bullion depository," "precious metals-backed electronic payment system," and "specie legal tender," and sets requirements for bullion depositories, including accreditation by the London Bullion Market Association and maintaining vault facilities in Florida. (Section 1).

The bill provides that specie legal tender is lawful money for the payment of debts, taxes, and fees if the government entity consents and is capable of accepting such payments. It also prohibits taxing or regulating specie as personal property, and prevents state tax liability for the purchase, sale, exchange, or conversion of specie. However, acceptance of specie in transactions cannot be compelled unless otherwise required by the State Constitution, law, or contract. (Section 1).

Further, the bill creates privacy protections for account holders using precious metals-backed electronic payment systems, restricting the disclosure of personal and transactional data except with consent or under court order with proper notice. (Section 1).

The bill directs the Office of Financial Regulation (OFR) to adopt rules relating to vendor payment options, insurance of bullion deposits, physical storage requirements, security measures, allocation of account fees, and fraud prevention. (Section 1).

The effective date of the bill is July 1, 2025. (Section 2).

RULEMAKING:

The bill requires the OFR to adopt rules to implement provisions related to the operation of vendors and bullion depositories, including provisions for insurance of deposits and security measures for the storage of bullion and specie.[1]

Lawmaking is a legislative power; however, the Legislature may delegate a portion of such power to executive branch agencies to create rules that have the force of law. To exercise this delegated power, an agency must have a grant of rulemaking authority and a law to implement.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Legal Tender and Specie under Federal and State Law

Under Article I, Section 10, Clause 1 of the United States Constitution, states are prohibited from coining money but are expressly authorized to "make gold and silver coin a tender in payment of debts."[2] This provision authorizes states to recognize gold and silver coin as legal tender for the payment of debts and taxes but prohibits states from creating or issuing their own currencies or recognizing other forms of money as tender.[3] In contrast, Article I, Section 8, Clause 5 of the U.S. Constitution grants Congress the exclusive power to coin money and regulate its value.[4] However, Congress has not preempted state authority to recognize specie as legal tender for state and private transactions.

Under 31 U.S.C. § 5103, only United States coins and currency (including Federal Reserve notes) are recognized as legal tender for the payment of debts, public charges, taxes, and dues. Foreign gold or silver coins are not legal tender for debts under federal law, though they may be lawfully bought, sold, and owned as commodities or investment assets.[5] However, a state may choose to recognize gold and silver coins as legal tender within its jurisdiction, though such coins would not have national legal tender status.

Tax Treatment of Specie and Bullion

Federal Taxation

At the federal level, gold and silver coins and bullion are classified as "collectibles" under 26 U.S.C. § 408(m), and gains from their sale are subject to a maximum long-term capital gains tax rate of 28%.[6] The Internal Revenue Code defines "collectible" to include "any metal or gem" and "any coin" not specifically exempted.[7]

Florida Taxation

Florida provides a limited sales tax exemption for sales of U.S. coins and currency and for foreign currency transactions exceeding $500.[8] Additionally, Florida provides a limited sales tax exemption on the sale of gold, silver, or platinum bullion, or any combination thereof, in a single transaction, is exempt when the total sales price of such bullion exceeds $500.[9] Depending on the form of the bullion and the nature of the transaction, sales of bullion may be subject to state sales tax as tangible personal property.[10] Florida law also does not provide a state-level exemption for capital gains derived from the sale of gold and silver, as Florida does not impose a state income tax[11], and no specific exemption has been created for gains from precious metals. In addition, Florida law does not

[1] The Office of Financial Regulation, Agency Analysis of 2025 HB 999, p. 2 (March 13, 2025).
[2] U.S. Const. art. 1. § 10. Cl. 1.
[3] *Id.*
[4] U.S. Const. art. 1. § 8. Cl. 5.
[5] 31 U.S.C. § 5103
[6] "Form S-3" Securities and Exchange Commission, 27. Feb. 2025, P. 42, https://www.sec.gov/Archives/edgar/data/1690437/000149315225008435/forms-3.htm
[7] 26 U.S.C. § 408(m)(2)(A)–(D).
[8] s. 212.05(1)(j), F.S.
[9] s. 212.08(7)(ww), F.S.
[10] s. 212.05(1)(a)1.a., F.S.
[11] Art. VII, s. 5(a), Fla. Const.

explicitly address whether precious metals should be classified as tangible personal property subject to ad valorem taxation, although the statutory definition of tangible personal property includes "all goods, chattels, and other articles of value... capable of manual possession."[12]

Other States' Treatment of Specie and Bullion

Several states have adopted laws to recognize gold and silver as legal tender or to remove various tax barriers to facilitate their use in commerce. These laws vary in scope and effect, ranging from simple tax exemptions to the establishment of state-run bullion depositories.

- Utah was the first state to recognize U.S.-minted gold and silver coins as legal tender through its Legal Tender Act of 2011. Utah law also provides a tax exemption for capital gains derived from the sale or exchange of gold and silver coins that are recognized as legal tender. In addition, Utah permits private firms to operate accounts backed by physical precious metals, which allows individuals to conduct transactions denominated in gold and silver.[13]
- Texas has established a state-operated bullion depository, known as the Texas Bullion Depository, to securely store precious metals for individuals, businesses, and governmental entities. The depository provides secure storage and the ability for account holders to deposit and withdraw physical bullion. Although Texas law enables secure in-state storage of precious metals, it does not authorize gold and silver as official legal tender for payment of state taxes or other obligations.[14]
- Wyoming enacted legislation in 2018 declaring gold and silver legal tender and exempting the sale of these metals from state sales and use taxes. Wyoming law also prohibits the treatment of specie as taxable tangible personal property, effectively removing several barriers to the private holding and use of gold and silver for commerce.[15]
- Arizona has removed state capital gains taxes on sales of precious metals and has authorized gold and silver coins as legal tender for private transactions. Like Wyoming, Arizona's approach focuses on tax treatment rather than establishing state-operated depositories or payment systems.[16]

Other states, such as Oklahoma, Louisiana, Kansas, and Indiana, have adopted various forms of tax exemptions related to the sale or exchange of gold and silver bullion, though these laws do not necessarily recognize precious metals as legal tender or create infrastructure to support their use as a medium of exchange.[17]

While these states have taken steps to encourage the use of gold and silver by removing tax barriers and recognizing their status as lawful money in specific contexts, no state currently operates a fully integrated, government-supported electronic payment system backed by physical precious metals that is recognized for payment of all state taxes, fees, or other obligations. Most existing laws focus on facilitating private holding and exchange of gold and silver, and on removing disincentives such as sales and capital gains taxes, rather than creating comprehensive alternative currency systems.[18]

Precious Metals-Backed Electronic Payment Systems

Precious metals-backed electronic payment systems are digital platforms that allow users to store and transact using units backed by physical precious metals, primarily gold and silver.[19] These systems typically allow users to

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[12] s. 192.001(11)(d), F.S.

[13] Utah Code §§ 59-1-1501 et seq.; H.B. 317 (2011). *See also Bullion Feasibility Study: An Exploratory Review of Key Policy Considerations for Implementing Gold and Silver Bullion as Legal Tender in the State of Florida*, prepared for the Florida Department of Financial Services by Guidehouse Inc., p. 122. February 28, 2025.

[14] Tex. Gov't Code § 2116; S.B. 483 (2015). *See also Bullion Feasibility Study: An Exploratory Review of Key Policy Considerations for Implementing Gold and Silver Bullion as Legal Tender in the State of Florida*, prepared for the Florida Department of Financial Services by Guidehouse Inc., p. 116. February 28, 2025.

[15] Wyo. Stat. §§ 34-29-101 to 34-29-103; SF111 (2018). *See also Bullion Feasibility Study: An Exploratory Review of Key Policy Considerations for Implementing Gold and Silver Bullion as Legal Tender in the State of Florida*, prepared for the Florida Department of Financial Services by Guidehouse Inc., p. 128. February 28, 2025.

[16] Ariz. Rev. Stat. § 43-1027. *See also Bullion Feasibility Study: An Exploratory Review of Key Policy Considerations for Implementing Gold and Silver Bullion as Legal Tender in the State of Florida*, prepared for the Florida Department of Financial Services by Guidehouse Inc., p. 102. February 28, 2025.

[17] *Id.*

[18] *Id.* at 14, 20, 22-23.

[19] *See generally* H.B. 306, 65th Leg., Gen. Sess. (Utah 2025), https://le.utah.gov/Session/2025/bills/introduced/HB0306.pdf; Christian Bender, *A Gold Standard for the Internet? An Introductory Assessment*, 11 Electronic Markets p. 123 (2001),

maintain accounts denominated in gold or silver, and to spend from those accounts using debit cards or mobile applications.[20]

Such systems rely on physical bullion stored in secure vaults, often accredited by international organizations that set industry standards. Users may conduct transactions based on their bullion holdings and may redeem their digital balances for physical delivery of gold or silver.[21] While these systems offer an alternative to traditional fiat currency (government-issued currency that is not backed by a physical commodity) transactions, they are typically not insured by the Federal Deposit Insurance Corporation and are subject to various state and federal regulatory requirements, including anti-money laundering, cybersecurity, and fraud prevention measures.[22]

RECENT LEGISLATION:

YEAR	BILL #	HOUSE SPONSOR(S)	SENATE SPONSOR	OTHER INFORMATION
2024	697	Bankson and LaMarca	Martin	The bill died in the State Affairs Committee.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Insurance & Banking Subcommittee			Hamon	Herrera
Ways & Means Committee				
Commerce Committee				

https://electronicmarkets.org/fileadmin/user_upload/doc/Issues/Volume_11/Issue_02/V11I2_A_Gold_Standard_for_the_Internet-_An_Introductory_Assessment.pdf.

[20] Bender, supra note 1, at 122.

[21] *See generally* London Bullion Market Ass'n, *LBMA Launches Digital Database for Gold Bars to Improve Transparency*, Reuters (Jan. 29, 2025), https://www.reuters.com/markets/commodities/london-bullion-association-launches-digital-database-gold-bars-2025-01-29; *Digital Gold: Understanding Cryptocurrency Backed by Physical Gold*, BlockApps (2023), https://blockapps.net/blog/digital-gold-understanding-cryptocurrency-backed-by-physical-gold.

[22] Lael Brainard, Governor, Bd. of Governors of the Fed. Rsrv. Sys., *The Digitalization of Payments and Currency: Some Issues for Consideration* (Feb. 5, 2020), https://www.federalreserve.gov/newsevents/speech/brainard20200205a.htm.

A bill to be entitled

An act relating to gold and silver specie as legal tender; creating s. 215.986, F.S; defining terms; specifying that specie legal tender is legal tender; prohibiting specie or specie legal tender from being characterized as personal property for taxation and regulatory purposes under state law; specifying that purchases and sales of specie do not give rise to state tax liability; providing that exchanges or conversions of one type or form of legal tender for another type or form of legal tender do not give rise to state tax liability; prohibiting persons from compelling others to tender or accept specie as legal tender; authorizing governmental entities to recognize specie legal tender for certain payments; requiring the Chief Financial Officer to adopt rules; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 215.986, Florida Statutes, is created to read:

215.986 Specie as legal tender; prohibitions; tax liabilities; payment of debts.—

(1) As used in this section, the term:

CODING: Words stricken are deletions; words underlined are additions.

(a) "Bullion" means refined gold or silver in any shape or form, as adopted by rule by the Chief Financial Officer, which is valued primarily based on the content of the gold or silver and not on its form and function.

(b) "Bullion depository" means an entity providing vault facilities within this state for the storage of bullion which:

1. Is accredited by the London Bullion Market Association (LBMA) for storage of gold or silver;

2. Complies with the prescribed LBMA best practice guidelines for the storage of bullion;

3. Has a contractual relationship to provide vault services to hold and receive deposits of specie legal tender for an authorized precious metals-backed electronic payment system vendor;

4. Maintains an office in this state, with a Florida address listed in its articles of incorporation or bylaws, or a Florida address redesignated in a relocation application filed with the office of the Chief Financial Officer; and

5. Receives deposits, allows access to deposits, permits the withdraw or transfer of bullion and specie, and serves as the custodian, guardian, and administrator for such purposes of any bullion and specie transferred by any state or citizen thereof consistent with the contract with the precious metals-backed electronic payment system vendor.

(c) "Legal tender" means a recognized medium of exchange

that is authorized by the United States Congress or by any state pursuant to s. 8 or s. 10, Art. I of the United States Constitution, respectively, for the payment of debts, public charges, taxes, or dues.

(d) "Precious metal" means gold or silver.

(e) "Precious metals-backed electronic payment system" means an electronic payment system that:

1. Uses physical gold or silver held in vault facilities located within this state as backing for electronic transactions;

2. Allows for the redemption of physical gold or silver by system participants;

3. Enables the account holder to make payments to a participating vendor; and

4. Is a Florida state-chartered bank under license by the state to provide bullion deposit accounts that:

a. Allow account holders to buy, sell, save, or spend physical gold or silver as a form of currency; and

b. Are not insured by, or subject to the regulations of, the Federal Deposit Insurance Corporation.

(f) "Specie" means coin having bullion.

(g) "Specie legal tender" means:

1. Specie issued by the Federal Government at any time; or

2. Any other specie recognized by this state or any other state pursuant to s. 10, Art. I of the United States

Constitution.

(h) "System participant" means an individual or entity that:

1. Maintains an account with a precious metals-backed electronic payment system vendor;

2. Conducts transactions using the precious metals-backed electronic payment system; or

3. Holds redemption rights for precious metals within the precious metals-backed electronic payment system.

(i) "Transactional gold and silver" means a representation of physical gold, silver, specie, or bullion which may be transferred via electronic or written instruction through a transaction by the owner of such currency and which is fully redeemable as physical gold, silver, specie, or bullion. Such representation must reflect the exact units of physical gold, silver, specie, or bullion in its fractional troy ounce measurement or grams.

(2)(a) Specie legal tender is legal tender.

(b) Specie or specie legal tender may not be characterized as personal property for taxation or regulatory purposes.

(c) The purchase or sale of any type or form of specie does not give rise to any state tax liability.

(d) The exchange or conversion of one type or form of legal tender for another type or form of legal tender does not give rise to any state tax liability.

(e) Unless specifically provided by the State Constitution or general law or by contract, a person may not compel another person to tender specie or to accept specie as legal tender.

(f) Specie legal tender may be recognized to pay private debts, taxes, and fees levied by the state or local government or any subdivision thereof if the governmental entity consents to payment with gold or silver and possesses the regulatory authority and technical ability to accept gold or silver payments.

(g) Information, including, but not limited to, the identity of an account holder, an account balance, an account transaction, or related data maintained by a vendor providing precious metals-backed electronic payment system services, a bullion depository, or any of their subcontractors or agents, shall be released only with the account holder's consent, or in any civil or criminal action, unless otherwise prohibited by law, upon the issuance of a subpoena from a court of competent jurisdiction with proper notice to the account holder or the account holder's legal representative by the party seeking such records, with an opportunity for a hearing upon request before the court. Any records obtained in violation of this paragraph are inadmissible in any proceeding if a timely objection is made.

(3) The Office of Financial Regulation shall adopt rules regarding:

(a) The ability of a vendor to elect payment for goods or services from a system participant to be in either bullion or dollars at no additional cost to the vendor;

(b) The provision that depositors in a bullion depository shall be insured for 100 percent of their deposit against all risks through a non-governmental operated insurer;

(c) The provision that physical specie sufficient to cover deposits is held by a bullion depository within this state;

(d) The security of the specie, bullion, and transactional gold and silver;

(e) The provision that all account costs, conversion fees, or other costs associated with a transactional gold or silver account remain with the system participant, the provider of the precious metals-backed electronic payment system, and the bullion depository, as agreed to between them pursuant to their contract; and

(f) Fraud prevention.

Section 2. This act shall take effect July 1, 2025.

HB 1231

FLORIDA HOUSE OF REPRESENTATIVES
BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

BILL #: HB 1231	**COMPANION BILL:** SB 1526 (Harrell)
TITLE: Insurance Claims Payments to Physicians	**LINKED BILLS:** None
SPONSOR(S): Black	**RELATED BILLS:** None

Committee References

Insurance & Banking ➤ Health Care Facilities & Systems ➤ Commerce

SUMMARY

Effect of the Bill:

The bill adds allopathic physicians licensed under ch. 458 and osteopathic physicians licensed under ch. 459 to an existing regulatory framework that currently applies only to dental providers. The expansion extends specific protections regarding payment methods, notification requirements, claim denials, and enforcement mechanisms to physician practices without altering the substance of these regulations.

The rules apply to insurance companies, including health maintenance organizations (HMOs). The rules prohibit insurers from requiring doctors to accept only credit card payments. The rules also require insurers to notify physicians about changes in electronic payment methods, allow insurers to deny claims during periods when patients have not paid their premiums, and establish clear rules for when certain claims can be denied.

The bill is applicable to all contracts delivered, issued, or renewed between allopathic physicians and osteopathic physicians, and a health insurer or HMO on or after January 1, 2026.

Fiscal or Economic Impact:

None

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

Payment Method Regulations

Under current law, health insurers are prohibited from mandating credit card payments as the sole means of reimbursement for dental services. The bill expands this prohibition to include physician services, ensuring that physicians cannot be forced to accept only credit card payments, which typically involve transaction fees that reduce provider compensation. This provision preserves payment method flexibility for physicians and protects their revenue streams from mandatory transaction fees. (Sections 1 and 2).

Electronic Fund Transfer Notifications

Under current law, insurers must provide notice to dental providers when initiating or changing payment methods or fees for electronic fund transfers. The bill entitles physicians to the same notification requirements. This allows physicians to prepare for and adapt to changes in how they receive payments, potentially affecting their practice's cash flow and accounting procedures. (Sections 1 and 2).

Premium Non-Payment Grace Period Claims

Under current law, insurers may deny claims if dental services were provided during a premium non-payment grace period, provided the insurer informed the provider of this circumstance in response to an eligible inquiry. The bill extends this provision to physician services. Physicians would have the same ability to verify patient eligibility and foresee potential claim denial risks before providing services during grace periods, potentially reducing uncompensated care. (Sections 1 and 2).

Prior Authorization Claim Denial Criteria

Current law provides specific criteria for when dental claims can be denied under prior authorizations. The bill applies the same criteria to physician claims. The criteria provide that an insurer may not deny a claim submitted for procedures specifically included in a prior authorization, unless at least one of the following is satisfied:

- Benefit limitations were reached subsequent to the issuance of the prior authorization;
- Inadequate documentation was submitted to support the originally authorized claim;
- Changes in the patient's condition or provision of new procedures post-authorization rendered the prior authorized procedure medically unnecessary;
- Changes in the patient's condition or provision of new procedures would have required disapproval under the terms and conditions of the patient's plan at the time of prior authorization;
- Services were provided during the grace period established under an applicable federal or state law or regulation, and the dental insurer notified the provider that the patient was in the grace period when the provider requested eligibility or enrollment verification from the dental insurer, if such a request was made; or
- Responsibility for the claim belonged to another payor for payment, prior payment was already made to the dentist for the procedures in question, request was a fraudulent claim submission, or patient shown as ineligible at the time of service.

(Sections 1 and 2).

Regulatory Enforcement

The Office of Insurance Regulation (OIR) is mandated to enforce claims payment provisions. (Sections 1 and 2).

Compliance

The bill is applicable to all contracts delivered, issued, or renewed between allopathic physicians licensed under ch. 458 and osteopathic physicians licensed under ch. 459 and a health insurer or HMO on or after January 1, 2026. (Sections 1 and 2).

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Health Insurance

Health insurance is the insurance of human beings against bodily injury or disablement by accident or sickness, including the expenses associated with such injury, disablement, or sickness.[1] Individuals purchase health insurance coverage with the purpose of managing anticipated expenses related to health or protecting themselves from unexpected medical bills or large health care costs. Many individuals access health care coverage as a benefit of employment where the employer may contribute towards the cost of the employee's coverage while others may purchase coverage directly from an insurance company or from places like the Affordable Care Act's marketplace.[2] Health insurance may be purchased on an individual basis or for an entire family.

[1] S. 624.603, F.S.
[2] *See* Healthcare.gov, *How to apply and enroll,* Apply for Health Insurance | HealthCare.gov (last visited March 17, 2025).

Managed care is the most common delivery system for medical care today by health insurers.[3] Managed care systems combine the delivery and financing of health care services by limiting the choice of doctors and hospitals.[4] In return for this limited choice, however, medical care is usually less costly to the patient due to lower out of pocket costs and the managed care network's ability to control the cost and utilization of health care services. Some common forms of managed care are preferred provider organizations (PPO),[5] exclusive provider organizations (EPOs),[6] and health maintenance organizations (HMO).[7] For services to be covered at the lowest out of pocket cost to the insured, the insured must utilize the managed care plan's network of providers, except in cases of an emergency. Different managed care companies have a variety of network and out of pocket cost arrangements based on an individual's or family's needs.

Office of Insurance Regulation

The Office of Insurance Regulation (OIR) regulates specified insurance products, insurers and other risk bearing entities in Florida, as well as licensing, rates, policy forms, market conduct, claims, issuances of certificates of authority, solvency, viatical statements, premium financing, and administrative supervision, as provided under the Florida Insurance Code.[8] The OIR is also authorized to conduct market conduct examinations to determine compliance with applicable provisions of the Insurance Code.[9] For managed care entities to receive a license from OIR, the entity must meet financial guidelines, benefits, and policy standards as established under ch. 690.154, F.A.C.

The Agency for Health Care Administration

The Agency for Health Care Administration (AHCA) is the chief health policy and planning entity for the state, and regulates the quality of care provided by managed care organizations under ch. 408, F.S.[10]

Health Maintenance Organizations

Health Maintenance Organizations (HMOs) operate within a regulatory framework dually overseen by the OIR and AHCA. To offer a commercial health insurance plan in Florida, an HMO must obtain a license from the OIR[11] and a Certificate of Authority from AHCA. An HMO is also required to become accredited by one of the state's approved organizations: National Committee for Quality Assurance, National Association for Ambulatory Health Care, and American Accreditation HealthCare Commission.[12] Certificates of authority are granted by AHCA, if found to be compliant with the certification process, on a county by county basis or for a portion of a county.[13]

Most managed care enrollment in Florida is through an HMO. For the last quarterly submission to AHCA in September 2024, Florida HMOs reported over 8.2 million enrollees as shown in the table below.[14]

Group Type	**Q3 2024**
Small Group	168,194
Large Group	419,937
Individual	2,040,499

[3] Florida Department of Financial Services, *Health Insurance and Health Maintenance Organizations, A Guide for Consumers*, available at: health-insurance-guide.pdf (last visited March 17, 2025).
[4] *Id.*
[5] S. 627.6471, F.S.
[6] S. 627.6472, F.S.
[7] Part I of ch. 641, F.S.
[8] S. 20.121(3)(a), F.S.
[9] *See* S. 624.3161, F.S. The Code is comprised of chs. 624-632, 634-636, 641, 642, 647, 648, and 651, F.S.
[10] AHCA, *About the Agency for Health Care Administration*, https://ahca.myflorida.com/about-the-agency-for-health-care-administration (last visited March 17, 2025).
[11] S. 641.21(1), F.S.
[12] Agency for Health Care Administration, *Health Care Provider Certi* (last visited March 17, 2025).
[13] *Id.*
[14] Florida Office of Insurance Regulation, *Managed Care Report: Quarterly Data Summary as of September 30, 2024*, managed-care-report-2024-q3-11dec2024.pdf (last visited March 17, 2025).

Other	11,139
Healthy Kids	146,775
Medicaid	3,093,498
Medicare	1,798,581
Federal Employees	4,185
GRAND TOTAL	7,682,808

These plans provide comprehensive healthcare services to members for a fixed monthly premium.[15] Members typically select a primary care physician from within the HMO's network, who serves as the main point of contact for all healthcare needs and referrals to specialists.[16] HMOs maintain networks of healthcare providers, including primary care physicians, specialists, hospitals, and other healthcare facilities.[17] Members are generally required to receive care from within the HMO's network, with exceptions for emergencies or authorized out-of-network care, for services to be covered.[18]

Florida law, under ch. 641, F.S., provides various consumer protections, including guaranteed access to emergency services, coverage for essential health benefits[19] mandated by the Act,[20] and the right to appeal coverage decisions made by the HMO.[21]

Health Insurance Contracts

All health insurance policies issued in the state of Florida, with the exception of certain self-insured policies,[22] must meet certain requirements that are detailed throughout the Florida Insurance Code. At a minimum, insurance policies must specify premium rates, services covered, and effective dates. Insurers must document the time when a policy takes effect and the period during which the policy remains in effect.[23]

Non-Payment of Premiums

Responsibilities of insured patients are also reflected in insurance contracts. Contracts set premium payment schedules and require that payments must be made in a timely fashion. In cases where this requirement is not met, any health insurer or HMO may cancel coverage for nonpayment of premiums after a statutory grace period.[24]

Before cancellation can occur, however, covered patients are protected by grace periods that extend the time frame in which premium payments may be submitted. A grace period is a period of time following the due date of a premium payment in which the insurance policy remains in force, even if the premium payment has not been made. The grace periods for policies or contracts issued in Florida are set in the Insurance Code,[25] and vary based on the premium payment schedule.

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[15] Medicare, What's an HMO? https://www.medicare.gov/health-drug-plans/health-plans (last visited March 17, 2025).
[16] *Id.*
[17] S. 641.19(12), F.S.
[18] Medicare, *What's an HMO?*, https://www.medicare.gov/health-drug-plans/health-plans (last visited March 17, 2025).
[19] Under the Patient Protection and Affordable Care Act, all non-grandfathered plans in the non-group and small group private health insurance markets must offer a core package of health insurance services known as the essential health benefits (EHB). *See Essential Health Benefits*, Healthcare.gov, Find out what Marketplace health insurance plans cover | HealthCare.gov (last visited March 17, 2025).
[20] Patient Protection and Affordable Care Act, (March 23, 2010), P.L. 111-141, as amended.
[21] Consumer Services, *Health Insurance & HMO Overview*, https://www.myfloridacfo.com/division/consumers/understanding-insurance/health-insurance-and-hmo-overview (last visited March 17, 2025).
[22] The Employment Retirement Security Act of 1974 (ERISA). 29 U.S.C. ch. 18 § 1001 et seq. ERISA regulates certain self-insured plans, which represent approximately 50 percent of the insureds in Florida.
[23] S. 627.413(1)(d), F.S.
[24] SS. 627.6043(1) and 641.3108(2), F.S.
[25] SS. 627.608 and 641.31(15), F.S.; The grace period of an individual policy must be a minimum of 7 days for weekly premium; 10 days for a monthly premium; and 31 days for all other periods. The grace period of an HMO contract must be at least 10 days. For group policies, if cancellation is due to nonpayment of premium, the insurer may not retroactively cancel the policy to a date prior to the date that notice of cancellation was provided to the policyholder unless the insurer mails notice of cancellation to the policyholder prior to 45 days after the date the premium was due. Such notice must be mailed to the

Pursuant to ss. 627.608 and 641.31, F.S., insurance policies and health maintenance contracts stay in force during grace periods. If the insurer or HMO does not receive the full payment of the premium by the end of the grace period, coverage terminates as of the grace period start date and the insurer or HMO may deny any medical claims incurred during the grace period. When a claim is denied at a later date, it is referred to as a retroactive denial.

The Insurance Code is silent on whether the insurer or HMO may advise a health care provider that a patient has not paid the applicable premium, and that the policy or health maintenance contract may be terminated in the future, possibly resulting in a retroactive claim denial.

Prompt Payment

Current law governs prompt payment of provider claims submitted to insurers and HMOs, including Medicaid managed care plans, under ss. 627.6131 and 641.3155, F.S., respectively. These provisions detail the rights and responsibilities of insurers, HMOs, and providers for the payment of medical claims. The statutes provide a process and timeline for providers to pay, deny, or contest the claim, and also prohibit an insurer or HMO from retroactively denying a claim because of the ineligibility of an insured or subscriber more than one year after the date the claim is paid.[26]

Federal Patient Protection and Affordable Care Act

The Act introduced a set of claims-related requirements for insurers offering plans through the federally-facilitated and state-based insurance exchanges. The Act guarantees access to coverage and mandates certain essential health benefits, among other directives.[27]To address affordability issues, federal premium tax credits and cost-sharing subsidies are available to assist eligible low and moderate-income individuals to purchase qualified health plans on a state or federal exchange.[28]

According to the 2023 Market Report by the Florida Health Insurance Advisory Board, total enrollment in Florida's commercial health insurance market is 4,671,680 individuals which represents an increase of over eight percent from the prior year.[29] The largest group in this market has individual coverage, over 2.9 million Floridians, an increase of 16 percent over 2022, and the vast majority of this coverage has been purchased through the ACA marketplace.[30] For the 2024 Open Enrollment period, Florida's total number of ACA marketplace plan selections from new and continuing consumers was 4,211,902 plan selections, the highest number of selection among all states, federal or state based exchanges.[31]

Non-Payment of Premiums – Federal Law

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policyholder's last address as shown by the records of the insurer and may provide for a retroactive date of cancellation no earlier than midnight of the date that the premium was due.

[26] SS. 627.6131(11) and 641.3155(10), F.S.

[27] The Patient Protection and Affordable Care Act (Pub. Law No. 111-148) was enacted on March 23, 2010. The Health Care and Education Reconciliation Act of 2010 (Pub. Law No. 111-152), which amended several provisions of the PPACA, was enacted on March 30, 2010. Together these two Acts are known as PPACA.

[28] In general, individuals and families may be eligible for the premium tax credit if their household income for the year is at least 100 percent but no more than 400 percent of the federal poverty line (FPL) for their family size. For residents of one of the 48 contiguous states or Washington D.C., 100 percent of the FPL for a family of four is $32,150; at 400 percent of the FPL for a family of four is $128,600. *See* U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, *HHS Poverty Guidelines for 2025*, available at: detailed-guidelines-2025.pdf (last visited March 17, 2025).

[29] Florida Health Insurance Advisory Board, *2023 Market Report*, fhiab-2023-market-report---adopted-(12-15-23).pdf (last visited March 17, 2025).

[30] *Id.*

[31] Centers for Medicare and Medicaid Services, *Marketplace 2024 Open Enrollment Period Report: Final National Snapshot (January 24, 2024)*, available at Marketplace 2024 Open Enrollment Period Report: Final National Snapshot | CMS (last visited March 17, 2025).

All qualified health plans (QHPs)[32] in the ACA marketplace are required to establish standard policies for the termination of enrollees due to the non-payment of premiums. The policy must be applied uniformly to enrollees in similar situations.[33] If an enrollee is delinquent with a premium payment, the QHP must notify the enrollee of the delinquency promptly and without undue delay, within 10 business days of the date from which the insurer should have discovered the delinquency.[34]

Individual health insurance plans purchased via the exchanges with a federal premium tax credit are not subject to the grace periods in Florida law. Instead, the Act requires insurers and HMOs to provide subscribers in these plans, a grace period of at least three consecutive months before cancelling the policy or contract if the enrollee previously paid at least a binder payment or the first month's premium payment.[35] The binder payment is due no earlier than the coverage effective date and no later than 30 calendar days from the coverage effective date.[36]

During the first month of the grace period, the insurer must pay all appropriate claims for services provided.[37] During the grace period, the insurer must also notify the Department of Health and Human Services (HHS) of the non-payment and notify providers of the possibility for denied claims when an enrollee is in the second and third months of a grace period.[38] For the second and third months, an insurer may pend claims and then must notify affected providers that an enrollee has lapsed in his or her payment of premiums and there is a possibility the insurer may deny the payment of claims incurred during the second and third months.[39]

Payment Methods for Health Care Claims

In March 2022, HHS issued guidance for covered entities[40] on the payment of health care claims by health plans through the use of virtual credit cards (VCC) and whether these transactions met the federal regulatory standards for electronic transactions. In model legislation, the National Council of Insurance Legislators has defined VCCs as an online credit card payment where no physical card is present and the number expires upon use at a credit card terminal or internet portal.[41] Instead of sending a paper check or an electronic payment transmission, some health plans have paid providers by sending these single use credit cards requiring the provider to then manually enter VCC numbers in order to receive payment. A transaction fee is incurred for each payment processed. For ACH transaction, the fee per item is based on volume, and can average in 2024 around $0.35.[42] For transactions by VCC, fees have been quoted as high as five percent.[43] HHS guidance concluded that payment by VCC was permitted; however, to meet the standards, the health plans must maintain certain privacy and confidentiality and transaction standards, including a one-to-one relationship between each electronic remittance advice (ERA) and electronic

[32] A "qualified health plan" is a plan that has been certified to meet the minimum standards of participation under 45 CFR §156.200 and is recognized as a QHP by the exchanges through which the plan is offered. Those standards include compliance with Exchange process and procedures, benefit design standards, licensure compliance in state where products are sold, in good standing in states where licensed products are sold, implementation of a quality improvement strategy or strategies consistent with the Act's goals, payment of applicable user fees, and compliance with reinsurance, risk corridors, and risk adjustment requirements.
[33] 45 CFR §156.270(c).
[34] 45 CFR §156.270 (f).
[35] 45 CFR §156.270(d).
[36] Centers for Medicare and Medicaid Services, *Health Plan Coverage Effectuation Webinar Training: Payment, Grace Periods, and Terminations (Navigator Training materials – January 2024)*, available at Health Plan Coverage Effectuation_Webinar_Jan_2024 (last visited March 17, 2025).
[37] 45 CFR §156.270(d)(1).
[38] 45 CFR §156.270(d)
[39] 45 CFR §156.270(d)(3).
[40] A "covered entity" is defined at 45 CFR §160.103, as a health plan, a health plan clearinghouse, or a health care provider who transmits any healthy information in electronic form in connection with a transaction.
[41] National Council of Insurance Legislators, *NCOIL Adopts Transparency in Dental Benefits Contracting Model Act (December 27, 2020)*, available at Transparency-in-Dental-Benefits-2020_final.pdf (last visited March 17, 2025).
[42] The Federal Reserve, *FedACH Services 2024 Fee Schedule*, available at FedACH Services 2024 Fee Schedule (last visited March 17, 2025).
[43] Cezary Podkul, The Hidden Fee Costing Doctors Millions Every Year, ProPublica (August 14, 2023), available at https://www.propublica.org/article/the-hidden-fee-costing-doctors-millions-every-year (last visited March 17, 2025).

funds transfer (EFT).[44] Once a plan submits a payment using the required standard with the specifications, any intermediaries acting on behalf of the health plan, including health care clearinghouses, financial institutions, and payment vendors, cannot alter, amend, or omit any information.[45]

Federal regulations also require that if a health plan pays providers via a VCC, the provider must be able to continue to request payments via EFT through the Automated Clearinghouse (ACH) Network using regulatory and ERA transaction standards, and the health plan is required to comply with those requests.[46] When a provider makes this request, the health plan must comply, regardless of whether the provider is in the plan's network or not or otherwise not affiliated with the plan.[47]

Many VCC vendors offer additional or value-added services directly or through business associates to dental providers for additional fees above the transaction fees. These additional items may include services such as assistance with re-associating the EFT file with the ERA file for reconciliation or other purposes, customer service functions, hotline numbers, special reporting or output files, billing services, and eligibility verification processes. Federal regulations prohibit a health plan from requiring a provider to agree to any value-added services as a condition of payment or inclusion of the required reassociation services using the HHS adopted EFT and ERA standards.[48]

If the provider has made a request to a health plan to conduct transactions via EFT and ERA using the adopted standards, and the provider believes that the health plan has not used or complied with those standards or operating rules, or the insurer has required the provider to pay for additional services declined by the provider as a condition of claims payment, the provider may file a complaint against the health plan with the federal Centers for Medicare and Medicaid Services.[49]

Regulation of Physician Practices in Florida

The Division of Medical Quality Assurance (MQA), within the Department of Health (DOH), has general regulatory authority over health care practitioners.[50] The MQA works in conjunction with 22 boards and four councils to license and regulate 364 health care professions, including Medical Doctors (allopathic physicians) and Doctors of Osteopathic Medicine (osteopathic physicians).[51] Each profession is regulated by an individual practice act and by ch. 456, F.S., which provides general regulatory and licensure authority for the MQA.[52]

Allopathic Physician Licensure (ch. 458, F.S.)

Chapter 458, F.S., provides for the licensure and regulation of the practice of medicine by the Florida Board of Medicine (allopathic board) in conjunction with DOH. The chapter imposes requirements for licensure examination and licensure by endorsement.

Allopathic Licensure Requirements

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[44] Department of Health and Human Services, *Go to Guidance: Guidance on health plans' payment of health care claims using Virtual Credit Cards (VCCs) and adopted HIPAA standards for Health Care Electronic Funds Transfer (EFT) and Remittance Advice (ERA) transactions; 45 CFR §§162.1601 and 162.1602(d)*, available at Virtual Credit Cards (VCCs) and Electronic Funds Transfers (EFT) Guidance Letter (last visited March 17, 2025).
[45] *Id.*
[46] *Id.* and 45 CFR §162.925(a)(1).
[47] Department of Health and Human Services, *Go to Guidance: Guidance on health plans' payment of health care claims using Virtual Credit Cards (VCCs) and adopted HIPAA standards for Health Care Electronic Funds Transfer (EFT) and Remittance Advice (ERA) transactions; 45 CFR §§162.1601 and 162.1602(d)*, available at Virtual Credit Cards (VCCs) and Electronic Funds Transfers (EFT) Guidance Letter (last visited March 17, 2025).
[48] *Id.*
[49] *Id.*
[50] Pursuant to s. 456.001(4), F.S., health care practitioners are defined to include physicians among other providers.
[51] Florida Department of Health, Division of Medical Quality Assurance, *Annual Report and Long-Range Plan, Fiscal Year 2022-2023*, p. 4, https://www.floridahealth.gov/licensing-and-regulation/reports-and-publications/_documents/2024.04.15.MQA_AR-FINAL-Tbl-10-REVISED.pdf (last visited March 18, 2025).
[52] S. 456.001(4), F.S.

An individual seeking to be licensed by examination as an allopathic physician must, among other things:

- Complete 2 years of post-secondary education which includes, at a minimum, courses in fields such as anatomy, biology, and chemistry prior to entering medical school;
- Meet one of the following medical education and postgraduate training requirements:
  - Graduate from an allopathic medical school recognized and approved by an accrediting agency recognized by the U.S. Office of Education or recognized by an appropriate governmental body of a U.S. territorial jurisdiction, and have completed at least one year of approved residency training;
  - Graduate from an allopathic foreign medical school registered with the World Health Organization and certified pursuant to statute as meeting the standards required to accredit U.S. medical schools, and have completed at least one year of approved residency training; or
  - Graduate from an allopathic foreign medical school that has not been certified pursuant to statute; have an active, valid certificate issued by the Educational Commission for Foreign Medical Graduates (ECFMG),[53] have passed that commission's examination; and have completed an approved residency or fellowship of at least 2 years in one specialty area; and
- Obtain a passing score on:
  - The United States Medical Licensing Examination (USMLE);
  - A combination of the USMLE, the examination of the Federation of State Medical Boards of the United States, Inc. (FLEX), or the examination of the National Board of Medical Examiners up to the year 2000; or
  - The Special Purpose Examination of the Federation of State Medical Boards of the United States (SPEX), if the applicant was licensed on the basis of a state board examination, is currently licensed in at least one other jurisdiction of the United States or Canada, and has practiced for a period of at least 10 years.[54]

An individual who holds an active license to practice medicine in another jurisdiction may seek licensure by endorsement to practice medicine in Florida.[55] The applicant must meet the same requirements for licensure by examination. To qualify for licensure by endorsement, the applicant must also submit evidence of the licensed active practice of medicine in another jurisdiction for at least 2 of the preceding 4 years, or evidence of successful completion of either a board-approved postgraduate training program within 2 years preceding filing of an application or a board-approved clinical competency examination within the year preceding the filing of an application for licensure.

Osteopathic Physician Licensure (ch. 459, F.S.)

Chapter 459, F.S., provides for the licensure and regulation of the practice of medicine by the Florida Board of Osteopathic Medicine (osteopathic board) in conjunction with DOH. The chapter imposes requirements for licensure by examination and licensure by endorsement.

Osteopathic Licensure Requirements

An individual seeking to be licensed as an osteopathic physician must, among other things:[56]

- Graduate from a medical college recognized and approved by the American Osteopathic Association;
- Successfully complete a resident internship of at least 12 months in a hospital approved by the Board of Trustees of the American Osteopathic Association or any other internship approved by the osteopathic board; and

[53] A graduate of a foreign medical school does not need to present an ECFMG certification or pass its exam if the graduate received his or bachelor's degree from an accredited U.S. college or university, studied at a medical school recognized by the World Health Organization, and has completed all but the internship or social service requirements, has passed parts I and II of the National Board Medical Examiners licensing examination or the ECFMG equivalent examination. Section 458.311, F.S.
[54] S. 458.311(1), F.S.
[55] S. 458.313, F.S.
[56] S. 459.0055(1), F.S.

- Obtain a passing score, as established by rule of the osteopathic board, on the examination conducted by the National Board of Osteopathic Medical Examiners or other examination approved by the osteopathic board, no more than five years prior to applying for licensure.[57]

If an applicant for a license to practice osteopathic medicine is licensed in another state, the applicant must have actively practiced osteopathic medicine within the two years prior to applying for licensure in this state.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Insurance & Banking Subcommittee			Hamon	Schenk
Health Care Facilities & Systems Subcommittee				
Commerce Committee				

[57] However, if an applicant has been actively licensed in another state, the initial licensure in the other state must have occurred no more than five years after the applicant obtained the passing score on the licensure examination.

A bill to be entitled

An act relating to insurance claims payments to physicians; amending ss. 627.6131 and 641.315, F.S.; prohibiting contracts between certain physicians and health insurers and health maintenance organizations, respectively, from specifying credit card payments to physicians as the only acceptable method for payments; authorizing use of electronic funds transfers by health insurers and health maintenance organizations, respectively, for payments to physicians under certain circumstances; providing notification requirements; prohibiting health insurers and health maintenance organizations, respectively, from charging fees for automated clearinghouse transfers as claims payments to physicians; providing an exception; providing applicability; prohibiting health insurers and health maintenance organizations, respectively, from denying claims subsequently submitted by physicians for procedures that were included in prior authorizations; providing exceptions; providing applicability; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsections (20) and (21) of section 627.6131,

Florida Statutes, are amended to read:

627.6131 Payment of claims.—

(20)(a) A contract between a health insurer and a dentist licensed under chapter 466 or a physician licensed under chapter 458 or chapter 459 for the provision of services to an insured may not specify credit card payment as the only acceptable method for payments from the health insurer to the dentist or physician.

(b) When a health insurer employs the method of claims payment to a dentist or physician through electronic funds transfer, including, but not limited to, virtual credit card payment, the health insurer shall notify the dentist or physician as provided in this paragraph and obtain the dentist's or physician's consent before employing the electronic funds transfer. The dentist's or physician's consent described in this paragraph applies to the dentist's or physician's entire practice. For the purpose of this paragraph, the dentist's or physician's consent, which may be given through e-mail, must bear the signature of the dentist or physician. Such signature includes an electronic or digital signature if the form of signature is recognized as a valid signature under applicable federal law or state contract law or an act that demonstrates express consent, including, but not limited to, checking a box indicating consent. The health insurer or the dentist or physician may not require that a dentist's or physician's

consent as described in this paragraph be made on a patient-by-patient basis. The notification provided by the health insurer to the dentist or physician must include all of the following:

1. The fees, if any, associated with the electronic funds transfer.

2. The available methods of payment of claims by the health insurer, with clear instructions to the dentist or physician on how to select an alternative payment method.

(c) A health insurer that pays a claim to a dentist or physician through automated clearinghouse transfer may not charge a fee solely to transmit the payment to the dentist or physician unless the dentist or physician has consented to the fee.

(d) This subsection applies to all contracts:

1. Between a health insurer and a dentist which are delivered, issued, or renewed on or after January 1, 2025.

2. Between a health insurer and a physician which are delivered, issued, or renewed on or after January 1, 2026.

(e) The office has all rights and powers to enforce this subsection as provided by s. 624.307.

(f) The commission may adopt rules to implement this subsection.

(21)(a) A health insurer may not deny any claim subsequently submitted by a dentist licensed under chapter 466 or a physician licensed under chapter 458 or chapter 459 for

procedures specifically included in a prior authorization unless at least one of the following circumstances applies for each procedure denied:

1. Benefit limitations, such as annual maximums and frequency limitations not applicable at the time of the prior authorization, are reached subsequent to issuance of the prior authorization.

2. The documentation provided by the person submitting the claim fails to support the claim as originally authorized.

3. Subsequent to the issuance of the prior authorization, new procedures are provided to the patient or a change in the condition of the patient occurs such that the prior authorized procedure would no longer be considered medically necessary, based on the prevailing standard of care.

4. Subsequent to the issuance of the prior authorization, new procedures are provided to the patient or a change in the patient's condition occurs such that the prior authorized procedure would at that time have required disapproval pursuant to the terms and conditions for coverage under the patient's plan in effect at the time the prior authorization was issued.

5. The denial of the claim was due to one of the following:

a. Another payor is responsible for payment.

b. The dentist or physician has already been paid for the procedures identified in the claim.

c. The claim was submitted fraudulently, or the prior authorization was based in whole or material part on erroneous information provided to the health insurer by the dentist or physician, patient, or other person not related to the insurer.

d. The person receiving the procedure was not eligible to receive the procedure on the date of service.

e. The services were provided during the grace period established under s. 627.608 or applicable federal regulations, and the ~~dental~~ insurer notified the dentist or physician ~~provider~~ that the patient was in the grace period when the dentist or physician ~~provider~~ requested eligibility or enrollment verification from the ~~dental~~ insurer, if such request was made.

(b) This subsection applies to all contracts:

1. Between a health insurer and a dentist which are delivered, issued, or renewed on or after January 1, 2025.

2. Between a health insurer and a physician which are delivered, issued, or renewed on or after January 1, 2026.

(c) The office has all rights and powers to enforce this subsection as provided by s. 624.307.

(d) The commission may adopt rules to implement this subsection.

Section 2. Subsections (13) and (14) of section 641.315, Florida Statutes, are amended to read:

641.315 Provider contracts.—

(13)(a) A contract between a health maintenance organization and a dentist licensed under chapter 466 or a physician licensed under chapter 458 or chapter 459 for the provision of services to a subscriber of the health maintenance organization may not specify credit card payment as the only acceptable method for payments from the health maintenance organization to the dentist or physician.

(b) When a health maintenance organization employs the method of claims payment to a dentist or physician through electronic funds transfer, including, but not limited to, virtual credit card payment, the health maintenance organization shall notify the dentist or physician as provided in this paragraph and obtain the dentist's or physician's consent before employing the electronic funds transfer. The dentist's or physician's consent described in this paragraph applies to the dentist's or physician's entire practice. For the purpose of this paragraph, the dentist's or physician's consent, which may be given through e-mail, must bear the signature of the dentist or physician. Such signature includes an electronic or digital signature if the form of signature is recognized as a valid signature under applicable federal law or state contract law or an act that demonstrates express consent, including, but not limited to, checking a box indicating consent. The health maintenance organization or the dentist or physician may not require that a dentist's or physician's consent as described in

this paragraph be made on a patient-by-patient basis. The notification provided by the health maintenance organization to the dentist or physician must include all of the following:

1. The fees, if any, that are associated with the electronic funds transfer.

2. The available methods of payment of claims by the health maintenance organization, with clear instructions to the dentist or physician on how to select an alternative payment method.

(c) A health maintenance organization that pays a claim to a dentist or physician through automated clearing house transfer may not charge a fee solely to transmit the payment to the dentist or physician unless the dentist or physician has consented to the fee.

(d) This subsection applies to all contracts:

1. Between a health maintenance organization and a dentist which are delivered, issued, or renewed on or after January 1, 2025.

2. Between a health maintenance organization and a physician which are delivered, issued, or renewed on or after January 1, 2026.

(e) The office has all rights and powers to enforce this subsection as provided by s. 624.307.

(f) The commission may adopt rules to implement this subsection.

(14)(a) A health maintenance organization may not deny any claim subsequently submitted by a dentist licensed under chapter 466 or a physician licensed under chapter 458 or chapter 459 for procedures specifically included in a prior authorization unless at least one of the following circumstances applies for each procedure denied:

1. Benefit limitations, such as annual maximums and frequency limitations not applicable at the time of the prior authorization, are reached subsequent to issuance of the prior authorization.

2. The documentation provided by the person submitting the claim fails to support the claim as originally authorized.

3. Subsequent to the issuance of the prior authorization, new procedures are provided to the patient or a change in the condition of the patient occurs such that the prior authorized procedure would no longer be considered medically necessary, based on the prevailing standard of care.

4. Subsequent to the issuance of the prior authorization, new procedures are provided to the patient or a change in the patient's condition occurs such that the prior authorized procedure would at that time have required disapproval pursuant to the terms and conditions for coverage under the patient's plan in effect at the time the prior authorization was issued.

5. The denial of the claim was due to one of the following:

a. Another payor is responsible for payment.

b. The dentist or physician has already been paid for the procedures identified in the claim.

c. The claim was submitted fraudulently, or the prior authorization was based in whole or material part on erroneous information provided to the health maintenance organization by the dentist or physician, patient, or other person not related to the organization.

d. The person receiving the procedure was not eligible to receive the procedure on the date of service.

e. The services were provided during the grace period established under s. 627.608 or applicable federal regulations, and the ~~dental~~ insurer notified the dentist or physician ~~provider~~ that the patient was in the grace period when the dentist or physician ~~provider~~ requested eligibility or enrollment verification from the ~~dental~~ insurer, if such request was made.

(b) This subsection applies to all contracts:

1. Between a health maintenance organization and a dentist which are delivered, issued, or renewed on or after January 1, 2025.

2. Between a health maintenance organization and a physician which are delivered, issued, or renewed on or after January 1, 2026.

(c) The office has all rights and powers to enforce this

subsection as provided by s. 624.307.

(d) The commission may adopt rules to implement this subsection.

Section 3. This act shall take effect July 1, 2025.

HB 1549

FLORIDA HOUSE OF REPRESENTATIVES
BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

BILL #: HB 1549	**COMPANION BILL:** SB 1612 (Grall)
TITLE: Financial Institutions	**LINKED BILLS:** None
SPONSOR(S): Maggard	**RELATED BILLS:** None

Committee References

Insurance & Banking ➤ Commerce

SUMMARY

Effect of the Bill:

The bill provides various amendments to the financial institutions code. The bill:

- Amends the due dates by which time a financial institution must pay semiannual assessments and specifies the method and timing of when the semiannual assessments must be made.
- Authorizes the Office of Financial Regulation (OFR) to issue a certificate of acquisition to an acquiring financial institution after specified circumstances are met.
- Repeals the provision prohibiting credit unions from investing more than five percent of the capital of the credit union in specified fixed assets.
- Repeals the requirement for credit unions to maintain a regular reserve and modifies the definition of the term "equity" to remove reference to "regular reserve."
- Removes a timeframe for certain requirements by directors of a proposed new bank or trust company.
- Modifies the period in which a proposed bank or trust company must open and conduct a general commercial bank or trust company business.

Fiscal or Economic Impact:

None

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

State Financial Institution Assessments:

The bill requires state financial institutions to pay a semiannual assessment based on total assets as of the last business day in December and June. The assessment must be received by the Office of Financial Regulation (OFR) via mail, wire transfer, automated clearinghouse, or other approved electronic means by March 31 and September 30. (Section 1).

Certificates for Acquisition or Assumption Transactions:

The bill authorizes the OFR to issue a certificate confirming that an acquisition, assumption, or sale transaction between financial institutions has been completed once the acquiring institution submits the necessary evidence. (Section 2).

Definition of "Equity" for Credit Unions:

The bill repeals the requirement for credit unions to maintain a regular reserve and modifies the definition of the term "equity" to remove reference to "regular reserve." (Section 3 & 5).

Credit Union Investment Powers:

The bill repeals the provision that provides a credit union may invest only up to five percent of the credit union's

capital in real estate and improvements, furniture, fixtures, and equipment utilized by the credit union for the transaction of business. (Section 4).

Stock Subscription:
The bill requires that at least 30 days before opening, the directors of a proposed bank or trust company must have completed the stock offering and filed with the office a final list of subscribers to all capital stock. (Section 6).

Opening of Banks/Trust Companies:
The bill requires a bank or trust company corporation to open and conduct a general commercial bank or trust business within 18 months after the issuance of a final order of approval by the office. (Section 7).

The effective date of the bill is July 1, 2025. (Section 8).

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Financial Institutions
A financial institution must hold a federal or state charter to accept deposits. Banks are chartered either as national banks by the Office of the Comptroller of the Currency (OCC) under the U.S. Department of the Treasury or as state banks by a state regulator.[1]

In Florida, the Florida Financial Institutions Codes govern all state-authorized and state-chartered banks, trust companies, and related entities.[2] The OFR licenses and regulates 196 financial entities, including 57 state-chartered banks.[3] There are also 30 federally-chartered banks operating in Florida.[4]

Banks and Trust Companies

Federal Law – Creation and Opening of a New Bank or Trust Company
Federally chartered banks, whether public or private, must meet stringent regulatory requirements to obtain a charter[5]. The OCC follows a two-phase approval process:

- Preliminary Approval: Expires if the proposed bank:
  - Fails to raise required capital within 12 months, or
  - Does not commence business within 18 months, unless an extension is granted.[6]
- Final Approval: Granted after completion of all organization requirements, authorizing the bank to begin operations.[7]

Federal law prohibits offering national bank-issued securities without registration unless an exemption (e.g., for nonpublic offerings) applies.[8]

Florida Law – Creation and Opening of a New Bank or Trust Company
State law requires that directors of a proposed bank or trust company:

- Complete a stock offering and file a list of subscribers with the OFR within six months of corporate existence and at least 30 days prior to opening.[9]

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[1] Congressional Research Service, *Introduction to Financial Services: Banking*, p. 1, January 5, 2023, available at: https://crsreports.congress.gov/product/pdf/IF/IF10035 (last visited March 15, 2025).
[2] S. 655.005(1)(k), F.S., states that the Financial Institutions Codes includes: Ch. 655, financial institutions generally; Ch. 657, credit unions; Ch. 658, banks and trust companies; Ch. 660, trust business; Ch. 662, family trust companies; Ch. 663, international banking; Ch. 665, relating to associations; and Ch. 667, savings banks.
[3] The OFR, *Fast Facts* (2025 ed.), available at: fast-facts.pdf (last visited March 15, 2025) (hereinafter cited as "2025 OFR Fast Facts").
[4] The OCC, *National Banks Active As of 2/28/2025*, February 28, 2025, available at national-by-state.pdf (March 15, 2025).
[5] *See* 12 CFR 16; Office of the Comptroller of the Currency, *Comptroller's Licensing Manual Charters*, p. 4, December 2021, available at charters.pdf (last visited March 11, 2025) (hereinafter cited as "OCC Licensing Manual for Charters").
[6] 12 CFR 5.20(i)(6)(iv)
[7] OCC Licensing Manual for Charters at p. 3.
[8] 12 CFR 16.7

- Provide additional information as reasonably required by OFR, including financial and biographical details of subscribers.[10]
- Undergo OFR's review and character and financial investigations.

A bank or trust company must begin operations within 12 months of corporate existence, notify OFR of its intended opening date, and comply with any OFR orders.[11] OFR must also conduct a pre-opening examination and issue a certificate of authorization if all requirements are satisfied.[12] However, the OFR reports "[t]he 6-month time requirement has been a problem for recent bank start-ups and is more restrictive than [the 12-month requirement] federally."[13]

Financial Institution Assessments

Financial institutions must pay semiannual assessments based on total assets as of the last business day of June and December[14], covering the next six months.[15]

- Assessments are due by January 31 and July 31 and can be submitted by mail, wire transfer, automated clearinghouse, or other OFR-approved electronic means.
- Late penalties may be assessed up to $100 per day, and intentional late payments may incur administrative fines up to $1,000 per day, unless excused for good cause.[16]

Certificate of Acquisition

Florida law allows a financial institution to acquire 50 percent or more of the assets, liabilities, or a combination of both of any financial institution subject to the OFR approval and other specified conditions. For instance, both financial institutions must adopt a plan for the acquisition, assumption, or sale which must contain specified information.[17] The OFR is required to approve or disapprove of the plan and, following adoption of the plan by the transferring financial institution, must certify in writing that the plan has been approved.[18] The transferring financial institution may abandon the transaction despite the members' or stockholders' approval and the OFR's certification of the plan.[19] Unlike the OFR's authority to issue a Certificate of Merger when two credit unions merge,[20] the OFR does not have authority to issue a Certificate of Acquisition when a financial institution purchases or wholly acquires another financial institution.[21]

Credit Unions

A credit union must have a federal or state charter to operate in Florida. Credit unions are chartered and regulated as a national credit union by the National Credit Union Association (NCUA).[22] Such membership is limited to a group or groups with a common bond of occupation or association within a defined community. Deposits into a federal credit union allow members to become owners of the credit union, run to become a credit union official, and vote on certain matters.[23]

The Florida Financial Institutions Codes apply to all state-chartered credit unions.[24] There are approximately 138 credit unions in Florida[25] with 67 of them being state-chartered.[26] Florida law provides that any person may be

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[9] S. 658.235(1), F.S.
[10] S. 658.25(2), F.S.
[11] S. 658.25(1), F.S.
[12] S. 658.25(3), F.S.
[13] The OFR, *Agency Analysis of 2025 for HB 1459*, p. 3 March 11, 2025. (hereinafter cited as "2025 OFR Agency Analysis for HB 1549").
[14] S. 655.047(1), F.S.
[15] S. 655.047(3), F.S.
[16] S. 655.047(2), F.S.
[17] S. 655.414(2), F.S.
[18] S. 655.414(4) and (5), F.S.
[19] *Id.*
[20] S. 657.065, F.S.
[21] S. 655.414(5), F.S.
[22] National Credit Union Administration, *Overview of the Charter Application Process*, April 14, 2022, available at Overview of the Charter Application Process | NCUA (last visited March 15, 2025).
[23] National Credit Union Administration, *Overview of Federal Credit Unions*, April 14, 2022, available at Overview of Federal Credit Unions | NCUA (last visited March 15, 2025).
[24] S. 655.005(1)(k), F.S., states that the Financial Institutions Codes includes ch. 657, credit unions.
[25] National Credit Union Service Organization, *Florida Credit Unions*, available at Florida Credit Unions (last visited March 15, 2025).
[26] 2025 OFR Fast Facts at p. 4.

admitted to a credit union upon payment of any required fee, payment of shares, and compliance with the credit union bylaws.[27] State-chartered credit unions operate as financial institutions except for exercising certain incidental powers authorized by law.[28]

Investments

Florida law regulates how credit unions may invest funds. There are no limits with respect to investing in certain assets, for instance United States Treasury bonds. Examples of other classes of assets that are subject to investment limits include up to: [29]

- 25% of capital in shares or deposits of a single corporate credit union or insured depository.[30]
- 1% of capital in corporate obligations of affiliates or subsidiaries.[31]
- 5% of capital in real estate, improvements, furniture, fixtures, and equipment used for business.[32]

Credit unions may exceed the 5% limit with OFR approval, if:

- The investment is necessary and appropriate for the credit union's size and needs.[33]
- The investment benefits members.[34]
- A plan exists to reduce the investment to statutory limits over time.[35]

In 2015, the NCUA removed the federal regulation that restricted federal credit unions from investing more than five percent aggregate in fixed-asset investments.[36]

Reserve Accounts

Florida law requires credit unions to maintain the following reserve accounts:

- Allowance for loan and lease losses;
- Regular reserve to meet losses which must not be decreased unless the OFR approves the decrease or as provided by rule of the commission;[37]
- Allowance for investment losses; and
- Special reserves to protect members against losses from risk assets or extended credit when required by rule or other specified circumstances.[38]

In 2022, the NCUA amended federal regulations and removed the requirement for federal credit unions to maintain a regular reserve account.[39]

OTHER RESOURCES:

Florida Credit Unions
Overview of the Charter Application Process | NCUA
Fixed-Asset Rule Provides Relief to More than 3,800 Federal Credit Unions | NCUA

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[27] S. 657.023(1), F.S.
[28] S. 657.031(3), F.S.
[29] S. 657.042, F.S.
[30] S. 657.042(2)(a), F.S.
[31] S. 657.042(4)(a), F.S.
[32] S. 657.042(5)(a), F.S.
[33] S. 657.042(5)(b)(1), F.S.
[34] S. 657.042(5)(b)(3), F.S.
[35] S. 657.042(5)(b)(4), F.S.
[36] The NCUA, *Fixed-Asset Rule Provides Relief to More than 3,800 Federal Credit Unions*, July 2015, available at Fixed-Asset Rule Provides Relief to More than 3,800 Federal Credit Unions | NCUA (last visited March 15, 2025).
[37] Section 657.043(2), F.S.
[38] Section 657.043, F.S.
[39] The NCUA, *Risk-Based Capital Frequently Asked Questions: Is Prompt Corrective Action (PCA) for Credit Unions Changing with the Revised Capital Adequacy Standards?*, April 14, 2022, available at Risk-Based Capital Frequently Asked Questions | NCUA (last visited March 15, 2025).

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Insurance & Banking Subcommittee			Hamon	Herrera
Commerce Committee				

A bill to be entitled

An act relating to financial institutions; amending s. 655.047, F.S.; requiring state financial institutions to pay a semiannual assessment for specified time periods; requiring that the semiannual assessment be received by the Office of Financial Regulation in a specified manner and by specified dates; amending s. 655.414, F.S.; authorizing the office to issue a specified certificate under certain circumstances; amending s. 657.002, F.S.; revising the definition of the term "equity"; amending s. 657.042, F.S.; revising the investment powers of a credit union; amending s. 657.043, F.S.; conforming provisions to changes made by the act; amending s. 658.235, F.S.; revising the timeframe for certain requirements by the directors of a proposed bank or trust company; amending s. 658.25, F.S.; revising the timeframe within which a bank or trust company corporation is required to open and conduct specified business; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 655.047, Florida Statutes, is amended to read:

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

655.047 Assessments; financial institutions.—

(1) Each state financial institution shall pay to the office a semiannual assessment for the 6-month periods beginning January 1 and July 1. Assessments must be based on the total assets as shown on the statement of condition of the financial institution on the last business day in December and the last business day in June of each year.

(2) ~~If mailed,~~ The semiannual assessment must be received by the office by mail, wire transfer, automated clearinghouse, or other electronic means approved by the office on or before March ~~January~~ 31 and September 30 ~~July 31~~ of each year following the semiannual assessment period. ~~If transmitted through a wire transfer, an automated clearinghouse, or other electronic means approved by the office, the semiannual assessment must be transmitted to the office on or before January 31 and July 31 of each year.~~ The office may levy a late payment penalty of up to $100 per day or part thereof that a semiannual assessment payment is overdue, unless it is excused for good cause. However, for intentional late payment of a semiannual assessment, the office shall levy an administrative fine of up to $1,000 a day for each day the semiannual assessment is overdue.

(3) ~~The assessments required by this section cover the 6-month period following the first day of the month in which they are due.~~ The office may prorate the amount of the semiannual

assessment; however, no portion of a semiannual assessment is refundable.

Section 2. Subsection (5) of section 655.414, Florida Statutes, is amended to read:

655.414 Acquisition of assets; assumption of liabilities.—With prior approval of the office, and upon such conditions as the commission prescribes by rule, a financial institution may acquire 50 percent or more of the assets of, liabilities of, or a combination of assets and liabilities of any other financial institution in accordance with the procedures and subject to the following conditions and limitations:

(5) ADOPTED PLAN; APPROVAL CERTIFICATION ~~CERTIFICATE~~; ABANDONMENT; CERTIFICATE OF ACQUISITION, ASSUMPTION, OR SALE.—

(a) If the plan is adopted by the members or stockholders of the transferring financial institution, the president or vice president and the cashier, manager, or corporate secretary of such institution shall submit the adopted plan to the office, together with a certified copy of the resolution of the members or stockholders approving it.

(b) Upon receipt of the certified copies and evidence that the participating financial institutions have complied with all applicable state and federal law and rules, the office shall certify, in writing, to the participants that the plan has been approved.

(c) Notwithstanding approval of the members or

stockholders or certification by the office, the board of directors of the transferring financial institution may abandon the ~~such a~~ transaction without further action or approval by the members or stockholders, subject to the rights of third parties under any contracts relating thereto.

(d) After the acquiring financial institution completes the plan and submits a request with any evidence required by the office to confirm the transaction's completion, the office may issue a certificate to the acquiring financial institution confirming that the acquisition, assumption, or sale transaction has been completed.

Section 3. Subsection (6) of section 657.002, Florida Statutes, is amended to read:

657.002 Definitions.—As used in this chapter:

(6) "Equity" means undivided earnings~~, regular reserves,~~ and other reserves.

Section 4. Subsections (6) and (7) of section 657.042, Florida Statutes, are renumbered as subsections (5) and (6), respectively, and paragraph (b) of subsection (3) and present subsection (5) of that section are amended, to read:

657.042 Investment powers and limitations.—A credit union may invest its funds subject to the following definitions, restrictions, and limitations:

(3) INVESTMENT SUBJECT TO LIMITATION OF TWO PERCENT OF CAPITAL OF THE CREDIT UNION.—

(b) Commercial paper and bonds of any corporation within the United States which have a fixed maturity, as provided in subsection (6) ~~(7)~~, except that the total investment in all such paper and bonds may not exceed 10 percent of the capital of the credit union.

~~(5) INVESTMENTS IN REAL ESTATE AND EQUIPMENT FOR THE CREDIT UNION.—~~

~~(a) Up to 5 percent of the capital of the credit union may be invested in real estate and improvements thereon, furniture, fixtures, and equipment utilized or to be utilized by the credit union for the transaction of business.~~

~~(b) The limitations provided by this subsection may be exceeded with the prior written approval of the office. The office shall grant such approval if it is satisfied that:~~

~~1. The proposed investment is necessary.~~

~~2. The amount thereof is commensurate with the size and needs of the credit union.~~

~~3. The investment will be beneficial to the members.~~

~~4. A reasonable plan is developed to reduce the investment to statutory limits.~~

Section 5. Subsections (3), (4), and (5) of section 657.043, Florida Statutes, are renumbered as subsections (2), (3), and (4), respectively, and subsection (2) and present subsection (4) of that section are amended, to read:

657.043 Reserves.—

~~(2) REGULAR RESERVE.—The regular reserve shall belong to the credit union and shall be used to meet losses. The regular reserve may not be decreased without the prior written approval of the office or as provided by rule of the commission.~~

(3)~~(4)~~ SPECIAL RESERVES.—~~In addition to such regular reserve,~~ Special reserves shall be established:

(a) To protect members against losses resulting from credit extended or from risk assets when required by rule, or when found by the office, in any special case, to be necessary for that purpose; or

(b) As authorized by the board of directors.

Section 6. Subsection (1) of section 658.235, Florida Statutes, is amended to read:

658.235 Subscriptions for stock; approval of major shareholders.—

(1) ~~Within 6 months after commencement of corporate existence, and~~ At least 30 days before ~~prior to~~ opening, the directors shall have completed the stock offering and shall file with the office a final list of subscribers to all of the capital stock of the proposed bank or trust company showing the name and residence of each subscriber and the amount of stock of every class subscribed for by each.

Section 7. Subsection (1) of section 658.25, Florida Statutes, is amended to read:

658.25 Opening for business.—

(1) A bank or trust company corporation shall open and conduct a general commercial bank or trust business within 18 months after the issuance of a final order of approval by the office ~~no later than 12 months after the commencement of its corporate existence~~.

Section 8. This act shall take effect July 1, 2025.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

INSURANCE & BANKING SUBCOMMITTEE

HB 1549 by Rep. Maggard
Financial Institutions

AMENDMENT SUMMARY
March 19, 2025

Amendment 1 by Rep. Maggard (Line 92): The amendment reinstates the 5% cap on credit union investments in real estate, furniture, fixtures, and equipment, reversing the bill's removal of this limit. Additionally, the amendment modifies the provision governing elected officers, directors, and committee members to clarify that while they may not be compensated for their service (current law), they may be reimbursed for necessary expenses incidental to performing official business for the credit union.

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	__ (Y/N)
ADOPTED AS AMENDED	__ (Y/N)
ADOPTED W/O OBJECTION	__ (Y/N)
FAILED TO ADOPT	__ (Y/N)
WITHDRAWN	__ (Y/N)
OTHER	_____

Committee/Subcommittee hearing bill: Insurance & Banking Subcommittee

Representative Maggard offered the following:

Amendment (with title amendment)

Remove lines 92-120 and insert:

Section 4. Subsection (2) of section 657.028, Florida Statutes, is amended to read;

657.028 Activities of directors, officers, committee members, employees, and agents.—

(2) An elected officer, director, or committee member, other than the chief executive officer, may not be compensated for her or his service to the credit union but an elected officer, director, or committee member may be reimbursed for necessary expenses incidental to performing official business for the credit union ~~as such~~.

T I T L E A M E N D M E N T

Remove lines 11-13 and insert:
the term "equity"; amending s. 657.028, F.S.; authorizing an elected officer, director, or committee member of a credit union to be reimbursed for certain expenses; amending s. 657.043, F.S.; conforming provision to changes made

FLORIDA HOUSE OF REPRESENTATIVES
BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

BILL #: HB 1551	**COMPANION BILL:** SB 426 (Martin)
TITLE: Attorney Fee Awards in Insurance Actions	**LINKED BILLS:** None
SPONSOR(S): Cassel	**RELATED BILLS:** None

Committee References

Civil Justice & Claims	➤	Insurance & Banking	➤	Judiciary
16 Y, 1 N				

SUMMARY

Effect of the Bill:

HB 1551 requires a court to award prevailing party attorney fees in certain insurance lawsuits and specifies that, where such fees are awardable, the offer of judgment statute does not apply. The bill also ensures that the two-way attorney fee statute applies, or does not apply, to the various types of insurance disputes in the same manner as the one-way attorney fee statute did before its limitation and eventual repeal.

Fiscal or Economic Impact:

The bill may have a fiscal impact on the state court system. The bill may also have an economic impact on the private sector.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

Attorney Fee Awards

The bill provides for the award of "two-way," prevailing party attorney fees in most insurance disputes. Specifically, the bill creates s. 627.4275, F.S., to require a court to award attorney fees to the prevailing party in any civil action brought against an insurer by a named or omnibus insured or the named beneficiary under an insurance policy executed by the insurer. (Section 4) Similarly, the bill creates s. 626.9375, F.S., to require a court to award attorney fees to the prevailing party in any civil action brought against a surplus lines insurer by a named or omnibus insured or the named beneficiary under an insurance policy executed by the insurer. (Section 3)

The bill provides that the insured or named beneficiary is the "prevailing party" when such person obtains a judgment greater than the highest written, good faith settlement offer previously tendered by the insurer; conversely, the bill provides that the insurer is the "prevailing party" when the insured or named beneficiary does not obtain a judgment greater than the highest written, good faith settlement offer previously tendered by the insurer. For purposes of determining who is the prevailing party, the bill defines "judgment" to include any reasonable attorney fees, taxable costs, and prejudgment interest that the insured had incurred when the highest written, good faith settlement offer previously tendered by the insurer was made, and provides that any settlement offer tendered by an insurer which is not left open for at least five business days is not made in good faith. The definitions of "prevailing party," as it relates to an insured, and the definition of "judgment" incorporated into the bill generally mirror the definitions of those terms which the courts used to apply when interpreting the now-repealed one-way attorney fee statute. (Sections 3 and 4)

Finally, the bill specifies that s. 627.4275, F.S., applies, or does not apply, to specific insurance disputes in the same manner in which Florida law used to apply the now-repealed one-way attorney fee statutes. Significantly, under the bill:

- The provision applies to suits brought against a surety insurer under a payment or performance bond written by the insurer. (Section 11)

- The provision applies in an uninsured motorist coverage dispute only if there is a dispute over whether the policy provided coverage for an uninsured motorist proven to be liable for the accident. (Section 9)
- The provision applies, but only in a limited manner, with respect to the Florida Motor Vehicle No-Fault Law. (Section 10)
- The provision applies to claims brought against the Florida Insurance Guaranty Association only if the association denied a covered claim or a portion thereof. (Section 13)
- The provision applies to claims brought against the Florida Workers' Compensation Insurance Guaranty Association only if the association denies a covered claim or a portion thereof. (Section 14)

Offer of Judgment

The bill amends s. 624.1552, F.S., to provide that, where prevailing party attorney fees are awardable under either newly-created s. 627.4275, F.S., or newly-created s. 626.9375, F.S., the offer of judgment statute does not apply. Practically speaking, this makes the two-way, prevailing party attorney fee statutes the sole mechanism by which attorney fees may be awarded in most suits brought by an insured against insurers in this state, absent the award of attorney fees as a sanction under s. 57.105, F.S. or a controlling contract provision. (Section 2)

Actions for Declaratory Relief

The bill repeals s. 86.121, F.S., relating to attorney fee awards in actions for declaratory relief to determine insurance coverage after total coverage denial of a claim. Practically speaking, this means that attorney fee awards for such an action would be governed by either newly-created s. 627.4275, F.S., or newly-created s. 626.9375, F.S., as applicable, absent a controlling contract provision. (Section 1)

Applicability and Effective Date

The bill provides an effective date of upon becoming a law. (Section 18) The bill also specifies that the changes made by the bill apply to an insurance policy or contract issued on or after the bill's effective date and may not be construed to impair or limit any right under an insurance policy or contract issued before the bill's effective date. (Section 16) Finally, the bill directs the Division of Law Revision to replace the phrase "the effective date of this act" with the date the bill becomes a law. (Section 17)

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The bill may have a fiscal impact on the state court system. Whether such an impact is positive or negative will depend on whether the bill increases or reduces the number of lawsuits filed against insurers in this state.

PRIVATE SECTOR:

The bill may have an economic impact on the private sector. Specifically, the bill may have a positive economic impact on the private sector to the extent that it incentivizes insurers to expediently and fairly resolve insurance disputes and insureds to accept fair settlement offers tendered by their insurers. The bill may also incentivize attorneys to take insurance lawsuits which they might not otherwise have taken due to the financial constraints of the insured. However, the bill may have a negative economic impact on the private sector to the extent that it results in an increase in insurance premiums.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Attorney Fee Awards

When it comes to the payment of attorney fees following civil litigation, the traditional "English rule" entitled a prevailing party in civil litigation to an attorney fees award as a matter of right. However, Florida, and a majority of other United States jurisdictions, have since adopted what is now known as the "American rule," under which each party bears its own attorney fees unless a "fee-shifting statute" or contract provision provides an entitlement to an attorney fees award. In Florida, several such fee-shifting statutes entitle the prevailing party or, in some instances, a particular prevailing plaintiff, to have his or her fees paid by the other party.[1]

Before 2022, s. 627.428, F.S., commonly known as Florida's "one-way attorney fee statute," generally provided that, when an insured or named beneficiary under an insurance policy prevailed in a legal action against the insurer, the insurer must pay the insured's attorney fees; a related statute, s. 626.9373, F.S., contained a similar one-way attorney fee provision applicable to insurance disputes involving a surplus lines insurer. In interpreting these sections, the Florida Supreme Court held that an insured was the prevailing party only when the insured "obtain[ed] a judgment greater than any offer of settlement previously tendered by the insurer."[2] Further, the Court held that the term "judgment" included the insured's damages plus any attorney fees, taxable costs, and prejudgment interest incurred before the insurer's offer.[3]

Generally speaking, the one-way attorney fee statutes were designed to incentivize insurers to deal fairly with insureds in resolving insurance disputes. However, several statutory provisions limited the application of s. 627.428, F.S., to certain types of insurance disputes; such provisions included language specifying that:

- The statutes applied to suits brought against a surety insurer under a payment or performance bond written by the insurer.[4]
- The statutes applied in an uninsured motorist coverage dispute only if there was a dispute over whether the policy provided coverage for an uninsured motorist proven to be liable for the accident.[5]
- The statutes applied, but only in a limited manner, with respect to the Florida Motor Vehicle No-Fault Law.[6]
- The statutes applied to claims brought against the Florida Insurance Guaranty Association only if the association denied a covered claim or a portion thereof.[7]
- The statutes applied to claims brought against the Florida Workers' Compensation Insurance Guaranty Association only if the association denied a covered claim or a portion thereof.[8]

Further, in 2022, the Florida Legislature eliminated the application of the one-way attorney fee statutes to lawsuits arising under a residential or commercial property insurance policy.[9] In 2023, the Florida Legislature eliminated the one-way attorney fee statutes entirely, repealing ss. 627.428 and 626.9373, F.S.[10]

Thus, under current law, each party to an insurance lawsuit generally must pay the party's own attorney fees, regardless of whether or not the party prevails, absent the application of the offer of judgment statute in s. 768.79, F.S., fees awarded as a sanction under s. 57.105, F.S.,[11] or another controlling statute or contract provision providing otherwise.

Offer of Judgment

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[1] *See, e.g.,* s. 400.023, F.S. (nursing home resident); s. 440.34, F.S. (claimant in a workers' compensation case in certain situations); s. 501.2105, F.S. (plaintiff in specified FDUTPA actions); s. 790.33, F.S. (plaintiff in a suit to enforce his or her firearm rights).
[2] *State Farm Mut. Auto. Ins. Co. v. Nichols*, 932 So. 2d 1067 (Fla. 2006).
[3] *Id.* at 1074.
[4] S. 627.756, F.S. (2022).
[5] S. 627.727(8), F.S. (2022).
[6] S. 627.736(8), F.S. (2022).
[7] S. 631.70, F.S. (2022).
[8] S. 631.926, F.S. (2022).
[9] In 2021, the Florida Legislature had created specific one-way attorney fee provisions for residential and commercial property insurance lawsuits that based the entitlement to a fee award on the difference between the judgment obtained and the pre-suit settlement offer; these provisions were eliminated as part of the 2022 reforms. Ch. 2021-77, L.O.F.; ch. 2022-271, L.O.F.
[10] Ch. 2023-15, L.O.F.
[11] Generally speaking, under this provision, a court may award attorney fees to the prevailing party in a civil proceeding when the court finds that the losing party, or the losing party's attorney, knew or should have known that a claim or defense when initially presented to the court or at an time before trial: a) was not supported by the material facts necessary to establish the claim or defense; or b) would not be supported by the application of then-existing law to those material facts. The court may also award attorney fees to a moving party that proves, by a preponderance of the evidence, that any action taken by the opposing party was taken for the purpose of unreasonable delay.

Florida's "offer of judgment" statute, codified in s. 768.79, F.S., provides attorney fee incentives to encourage swift settlement and decrease litigation. Specifically, under this statute, if a defendant in a civil action for damages makes an offer of judgment and the plaintiff does not accept such offer within 30 days, the plaintiff must pay the defendant's reasonable costs and attorney fees incurred from the date the defendant made the offer if the judgment is one of no liability or the judgment obtained by the plaintiff is at least 25 percent less than the offer. On the other hand, if the plaintiff files a demand for judgment and the defendant does not accept such demand within 30 days, the defendant must pay the plaintiff's reasonable costs and attorney fees incurred from the date the plaintiff made the demand if the plaintiff recovers a judgment in an amount at least 25 percent greater than the demand.

Further, s. 624.1552, F.S., expressly provides that the offer of judgment statute applies to any civil action involving an insurance contract. This clarification was made in 2023 in conjunction with the repeal of Florida's one-way attorney fee statutes.[12]

Actions for Declaratory Relief

In conjunction with the 2023 repeal of Florida's one-way attorney fee statutes, the Florida Legislature enacted s. 86.121, F.S., to provide that, in an action brought for declaratory relief in state or federal court to determine insurance coverage after the insurer has made a total coverage denial of a claim, either party is entitled to the summary procedure provided in s. 51.011, F.S.,[13] and the court shall advance the cause on the calendar.[14] Further, this section directs the court to award reasonable attorney fees to the named insured, omnibus insured, or named beneficiary under a policy issued by the insurer upon rendition of a declaratory judgment in favor of the named insured, omnibus insured, or named beneficiary; however, such fees are limited to those incurred in the action brought under this chapter for declaratory relief to determine insurance coverage, and this section does not apply to any action arising under a residential or commercial property insurance policy.

RECENT LEGISLATION:

YEAR	BILL #	HOUSE SPONSOR(S)	SENATE SPONSOR	OTHER INFORMATION
2023	CS/CS/HB 837	Gregory and Fabricio	Hutson	Took effect on March 24, 2023.
2022A	SB 2-A	Leek and Rommel	Boyd	Took effect on December 16, 2022, except as otherwise expressly provided.
2021	CS/CS/CS SB 76	Rommel	Boyd	Took effect on July 1, 2021.

[12] *Supra, note 9.*
[13] Generally speaking, the summary procedure provides for expedited pleading, discovery, trial, and appeal deadlines.
[14] *Supra, note 9.*

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Civil Justice & Claims Subcommittee	16 Y, 1 N	3/13/2025	Jones	Mawn
Insurance & Banking Subcommittee			Hamon	Herrera
Judiciary Committee				

A bill to be entitled

An act relating to attorney fee awards in insurance actions; repealing s. 86.121, F.S., relating to attorney fees in specified actions for declaratory relief to determine insurance coverage after total coverage denial of claims; amending s. 624.1552, F.S.; revising the applicability of the offer of judgment and demand for judgment provisions to civil actions involving an insurance contract; creating s. 626.9375, F.S.; requiring the award of prevailing party attorney fees in certain civil actions brought against surplus lines insurers; providing guidelines to determine prevailing parties; defining the term "judgment"; providing a specified circumstance under which a settlement offer is not a good faith settlement offer; specifying the applicability of the offer of judgment and demand for judgment provisions if prevailing party attorney fees apply; creating s. 627.4275, F.S.; requiring the award of prevailing party attorney fees in certain civil actions brought against insurers; providing guidelines to determine prevailing parties; defining the term "judgment"; providing a specified circumstance under which a settlement offer is not a good faith settlement offer; specifying the applicability of the offer of judgment and demand for

judgment provisions if prevailing party attorney fees apply; amending ss. 624.123, 624.488, 627.062, 627.401, 627.727, and 627.736, F.S.; providing for the applicability of the prevailing party attorney fee provision to specified insurers, insurance policies or coverage types, and rate standards; amending s. 627.756, F.S.; providing for the applicability of the prevailing party attorney fee provision to suits brought by certain entities against surety insurers under certain circumstances; providing that such entities are deemed insureds or beneficiaries for specified purposes; amending ss. 628.6016 and 632.638, F.S.; providing for the applicability of the prevailing party attorney fee provision to assessable mutual insurers and fraternal benefit societies, respectively; creating ss. 631.696 and 631.9245, F.S.; providing for the applicability of the prevailing party attorney fee provision to claims presented to specified guaranty associations; providing general applicability and construction; providing a directive to the Division of Law Revision; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 86.121, Florida Statutes, is repealed.

Section 2. Section 624.1552, Florida Statutes, is amended to read:

624.1552 Civil actions involving an insurance contract; applicability of offer of judgment provisions.—Section 768.79 applies ~~The provisions of s. 768.79 apply~~ to any civil action involving an insurance contract, except a civil action to which s. 626.9375 or s. 627.4275 applies.

Section 3. Section 626.9375, Florida Statutes, is created to read:

626.9375 Attorney fees.—

(1) Except as otherwise provided by law, in any civil action brought against a surplus lines insurer by a named or omnibus insured or the named beneficiary under an insurance policy or contract executed by the insurer, the court shall award reasonable attorney fees to the prevailing party. For purposes of this subsection:

(a) The insured or named beneficiary is the prevailing party when such person obtains a judgment greater than the highest written, good faith settlement offer previously tendered by the insurer.

(b) The insurer is the prevailing party when the insured or named beneficiary does not obtain a judgment greater than the highest written, good faith settlement offer previously tendered by the insurer.

(c) The term "judgment" includes damages and any reasonable attorney fees, taxable costs, and prejudgment interest that the insured had incurred when the highest written, good faith settlement offer previously tendered by the insurer was made.

(d) A settlement offer tendered by the insurer which is not kept open for at least 5 business days is not a good faith settlement offer.

(2) If subsection (1) applies to a civil action involving an insurance policy or contract, s. 768.79 does not apply.

Section 4. Section 627.4275, Florida Statutes, is created to read:

627.4275 Attorney fees.—

(1) Except as otherwise provided by law, in any civil action brought against an insurer by a named or omnibus insured or the named beneficiary under an insurance policy or contract executed by the insurer, the court shall award reasonable attorney fees to the prevailing party. For purposes of this subsection:

(a) The insured or named beneficiary is the prevailing party when such person obtains a judgment greater than the highest written, good faith settlement offer previously tendered by the insurer.

(b) The insurer is the prevailing party when the insured or named beneficiary does not obtain a judgment greater than the

highest written, good faith settlement offer previously tendered by the insurer.

(c) The term "judgment" includes damages and any reasonable attorney fees, taxable costs, and prejudgment interest that the insured had incurred when the highest written, good faith settlement offer previously tendered by the insurer was made.

(d) A settlement offer tendered by the insurer which is not kept open for at least 5 business days is not a good faith settlement offer.

(2) If subsection (1) applies to a civil action involving an insurance policy or contract, s. 768.79 does not apply.

Section 5. Subsection (4) of section 624.123, Florida Statutes, is amended to read:

624.123 Certain international health insurance policies; exemption from code.—

(4) Any international health insurance policy or application solicited, provided, entered into, issued, or delivered pursuant to this subsection is exempt from all provisions of the insurance code, except that such policy, contract, or agreement is subject to ~~the provisions of~~ ss. 624.155, 624.316, 624.3161, 626.951, 626.9511, 626.9521, 626.9541, 626.9551, 626.9561, 626.9571, 626.9581, 626.9591, 626.9601, 627.413, 627.4145, 627.4275, and 627.6043.

Section 6. Subsection (4) of section 624.488, Florida

Statutes, is amended to read:

624.488 Applicability of related laws.—In addition to other provisions of the code cited in ss. 624.460-624.488:

(4) Sections 627.291, 627.413, 627.4132, 627.416, 627.418, 627.420, 627.421, 627.425, 627.426, 627.4265, 627.427, 627.4275, 627.702, and 627.706; part XI of chapter 627; ss. 627.912, 627.913, and 627.918;

apply to self-insurance funds. Only those sections of the code that are expressly and specifically cited in ss. 624.460-624.489 apply to self-insurance funds.

Section 7. Paragraph (b) of subsection (3) of section 627.062, Florida Statutes, is amended to read:

627.062 Rate standards.—

(3)

(b) Individual risk rates and modifications to existing approved forms are not subject to this part or part II, except for paragraph (a) and ss. 627.402, 627.403, 627.4035, 627.404, 627.405, 627.406, 627.407, 627.4085, 627.409, 627.4132, 627.4133, 627.415, 627.416, 627.417, 627.419, 627.425, 627.426, 627.4265, ~~and~~ 627.427, and 627.4275, but are subject to all other applicable provisions of this code and rules adopted thereunder.

Section 8. Subsections (3), (4), and (5) of section 627.401, Florida Statutes, are amended to read:

627.401 Scope of this part.—No provision of this part of this chapter applies to:

(3) Wet marine and transportation insurance, except ss. 627.409, ~~and~~ 627.420, and 627.4275.

(4) Title insurance, except ss. 627.406, 627.415, 627.416, 627.419, ~~and~~ 627.427, and 627.4275.

(5) Credit life or credit disability insurance, except ss. 627.419(5) and 627.4275 ~~s. 627.419(5)~~.

Section 9. Subsection (10) is added to section 627.727, Florida Statutes, to read:

627.727 Motor vehicle insurance; uninsured and underinsured vehicle coverage; insolvent insurer protection.—

(10) Section 627.4275 does not apply to any action brought pursuant to this section against the uninsured motorist insurer unless there is a dispute over whether the policy provides coverage for an uninsured motorist proven to be liable for the accident.

Section 10. Subsection (8) of section 627.736, Florida Statutes, is amended to read:

627.736 Required personal injury protection benefits; exclusions; priority; claims.—

(8) APPLICABILITY OF PROVISION REGULATING ATTORNEY FEES.—With respect to any dispute under ~~the provisions of~~ ss. 627.730-627.7405 between the insured and the insurer, or between an assignee of an insured's rights and the insurer, ss. 627.4275

and 768.79 ~~the provisions of s. 768.79~~ apply, except as provided in subsections (10) and (15), and except that any attorney fees recovered must:

(a) Comply with prevailing professional standards;

(b) Not overstate or inflate the number of hours reasonably necessary for a case of comparable skill or complexity; and

(c) Represent legal services that are reasonable and necessary to achieve the result obtained.

Upon request by either party, a judge must make written findings, substantiated by evidence presented at trial or any hearings associated therewith, that any award of attorney fees complies with this subsection. Attorney fees recovered under ss. 627.730-627.7405 must be calculated without regard to a contingency risk multiplier.

Section 11. Subsection (1) of section 627.756, Florida Statutes, is amended to read:

627.756 Bonds for construction contracts; attorney fees in case of suit.—

(1) Section 627.4275 applies to ~~In~~ a suit brought by an owner, a contractor, a subcontractor, a laborer, or a materialman against a surety insurer under payment or performance bonds written by the insurer under the laws of this state to indemnify against pecuniary loss by breach of a

building or construction contract~~, upon the rendition of a judgment or decree by any of the courts of this state against the surety insurer and in favor of the owner, contractor, subcontractor, laborer, or materialman, the trial court or, in the event of an appeal in which the owner, contractor, subcontractor, laborer, or materialman prevails, the appellate court, shall adjudge or decree against the surety insurer and in favor of the owner, contractor, subcontractor, laborer, or materialman a reasonable sum as fees or compensation for the attorney prosecuting the suit in which the recovery is had~~. Owners, contractors, subcontractors, laborers, and materialmen are deemed to be insureds or beneficiaries for the purposes of this section.

Section 12. Subsection (4) of section 628.6016, Florida Statutes, is amended to read:

628.6016 Applicability of related laws.—In addition to other provisions of the code cited in ss. 628.6011-628.6018:

(4) Sections 627.291, 627.413, 627.4132, 627.416, 627.418, 627.420, 627.421, 627.425-627.427, 627.4275, 627.702, and 627.706; part XI of chapter 627; ss. 627.912, 627.913, and 627.918; and

apply to assessable mutual insurers; however, ss. 628.255, 628.411, and 628.421 do not apply. No section of the code not expressly and specifically cited in ss. 628.6011-628.6018

applies to assessable mutual insurers. The term "assessable mutual insurer" shall be substituted for the term "commercial self-insurer" as appropriate.

Section 13. Section 631.696, Florida Statutes, is created to read:

631.696 Attorney fees.—Section 627.4275 does not apply to any claim presented to the association under this part, unless the association denies, by affirmative action other than delay, a covered claim or a portion thereof.

Section 14. Section 631.9245, Florida Statutes, is created to read:

631.9245 Attorney fees.—Section 627.4275 does not apply to any claim presented to the corporation under this part, unless the corporation denies, by affirmative action other than delay, a covered claim or a portion thereof.

Section 15. Subsections (11), (12), and (13) of section 632.638, Florida Statutes, are renumbered as subsections (12), (13), and (14), respectively, and a new subsection (11) is added to that section, to read:

632.638 Applicability of other code provisions.—In addition to other provisions contained or referred to in this chapter, the following chapters and provisions of this code apply to fraternal benefit societies, to the extent applicable and not in conflict with the express provisions of this chapter and the reasonable implications thereof:

(11) Section 627.4275;

Section 16. This act applies to an insurance policy or contract issued on or after the effective date of this act and may not be construed to impair or limit any right under an insurance policy or contract issued before the effective date of this act.

Section 17. The Division of Law Revision is directed to replace the phrase "the effective date of this act" wherever it occurs in this act with the date this act becomes a law.

Section 18. This act shall take effect upon becoming a law.

FLORIDA HOUSE OF REPRESENTATIVES
BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

BILL #: HM 4063	**COMPANION BILL:** SM 1488 (Avila)
TITLE: Framework for a Sovereign Wealth Fund	**LINKED BILLS:** None
SPONSOR(S): Anderson	**RELATED BILLS:** None

Committee References

Insurance & Banking ➤ Commerce

SUMMARY

Effect of the Bill:

Urges the Congress of the United States to establish a framework for a sovereign wealth fund by enacting legislation necessary for establishing such a framework.

Fiscal or Economic Impact:

None

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

Urges the Congress of the United States to establish a framework for a sovereign wealth fund by enacting legislation necessary for establishing such a framework.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

On February 3, 2025, President Trump signed an executive order (EO 14196) directing the Treasury and Commerce Secretaries to develop a plan for the establishment of a sovereign wealth fund (SWF). An SWF is a government-owned investment fund that invests in financial assets and real estate to generate a profit for its citizens. SWFs are funded by a variety of sources, including surplus reserves from natural resources, trade surpluses, bank reserves, privatization money, and governmental transfer payments.

Several U.S. states (11) have created SWFs to finance certain services – typically public education – or to provide general revenue to the state government and/or its citizens. For example, the Alaska Permanent Fund (APF) distributes the money it makes from the state's nonrenewable resources to the state's residents as annual dividends. The APF divides its fund deposits into two parts: the principal (non-spendable) and the earnings reserve account (spendable), which are commingled and invested under the same asset allocation.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Insurance & Banking Subcommittee			Hamon	Schenk
Commerce Committee				

House Memorial

A memorial to the Congress of the United States, urging Congress to establish a framework for a sovereign wealth fund for the United States.

WHEREAS, on February 3, 2025, President Donald J. Trump issued an executive order that directs the Secretary of the United States Department of the Treasury and the Secretary of the United States Department of Commerce to develop a plan within 90 days for the creation of a sovereign wealth fund, and

WHEREAS, while the secretaries are developing the plan, Congress should be proactive and establish the framework for the sovereign wealth fund, and

WHEREAS, if Congress establishes the framework, the sovereign wealth fund can be more efficiently implemented, and

WHEREAS, the sovereign wealth fund can be used to promote fiscal sustainability, lessen the burden of taxes on families and small business, establish long-term economic security, fund critical projects, and promote the United States' economic and strategic leadership internationally, NOW, THEREFORE,

Be It Resolved by the Legislature of the State of Florida:

That the Congress of the United States is urged to establish a framework for a sovereign wealth fund.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

BE IT FURTHER RESOLVED that the Legislature urges Congress to enact any legislation necessary to establish the framework for the sovereign wealth fund.

BE IT FURTHER RESOLVED that the Secretary of State is directed to dispatch copies of this memorial to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the Congress of the United States.