

HB0027S2002

Page 1-line 7 Delete "a new subsection" insert "new subsections".

Page 1-line 8 After "(d)" insert "and (e)".

Page 2-line 4 After "damage." insert "Coverage provided by a school district joint powers board as of February 1, 2017, shall satisfy the insurance requirement of this subsection until July 1, 2018, if kept in force. The coverage may be modified as needed. After July 1, 2018, coverage provided by a school district joint powers board shall satisfy the coverage requirements of this subsection only if the coverage is within any limits set by the insurance department pursuant to subsection (e) of this section."

(e) The insurance department shall undertake an examination of the school district joint powers board operating a school risk retention program. The examination shall be conducted using the examination processes normally applied to private insurance companies. Based on the examination and standards applied to private insurance companies, the department shall determine whether the school risk retention program operated by the school district joint powers board is backed by sufficient reserves, reinsurance and other factors to safely satisfy the insurance requirement provided in subsection (d) of this section. The results of the examination shall be reported to the joint corporations, elections and political subdivisions interim committee and the joint education interim committee. If a joint powers board refuses to cooperate with this examination, the insurance commissioner shall prohibit the school district joint powers board from providing insurance coverage and shall provide notice of the prohibition to the relevant governmental units. Based on the examination required by this subsection, the insurance department may limit the coverage that the school district joint powers board is authorized to provide, effective July 1, 2018, and may order the school district joint powers board to undertake any measures needed to protect its solvency. If the commissioner finds that the joint powers board is insolvent or impaired to the extent it is likely to become insolvent, the commissioner may, after March 31, 2018, require the school district insured by the school district joint powers

1 board to obtain other insurance coverage within a time specified
2 by the commissioner.". SCOTT