



CHAMBER ACTION

The Committee on State Administration recommends the following:

Committee Substitute

Remove the entire bill and insert:

A bill to be entitled

An act relating to insurance; creating s. 255.0517, F.S.; defining terms; limiting the authority of certain public agencies to purchase owner-controlled insurance programs for public construction projects; establishing purchase requirements; providing exemptions; creating s. 627.441, F.S.; requiring insurers issuing commercial general liability policies to offer coverage for completed operations liability for certain contractors to the extent that coverage is not provided under an owner-controlled insurance program; providing an effective date.

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

Section 1. Section 255.0517, Florida Statutes, is created to read:

255.0517 Owner-controlled insurance programs for public construction projects.--

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



HB 1087

2003
CS

29 (a) "Owner-controlled insurance program" means a
30 consolidated insurance program or series of insurance policies
31 issued to a public agency that may provide one or more of the
32 following types of insurance coverage for all of the
33 contractors, subcontractors, architects, and engineers working
34 at specified or multiple contracted work sites of a public
35 construction project: general liability, property damage,
36 workers' compensation, employer's liability, builder's risk, or
37 pollution liability coverage.

38 (b) "Specified contracted work site" means construction
39 being performed during one or more fiscal years at one site or a
40 series of contiguous sites separated only by a street, roadway,
41 waterway, or railroad right-of-way or along a continuous system
42 for the provision for water and power.

43 (c) "Multiple contracted work site" means construction
44 being performed at multiple sites during one or more fiscal
45 years that is part of a ongoing capital infrastructure
46 improvement program, or involves the construction of one or more
47 public schools.

48 (2) PURCHASE REQUIREMENTS.--A state agency, political
49 subdivision, state university, community college, airport
50 authority, or other public agency in this state, or any
51 instrumentality thereof, may only purchase an owner-controlled
52 insurance program in connection with a public construction
53 project if it is determined necessary and in the best interest
54 of the public agency and if each of the following conditions is
55 met:

56 (a) The estimated total cost of the project is:



HB 1087

2003
CS

- 57 | 1. Seventy-five million dollars or more;
- 58 | 2. Thirty million dollars or more, if the project is for
59 | the construction or renovation of two or more public schools
60 | during a fiscal year; or
- 61 | 3. Ten million dollars or more, if the project is for the
62 | construction or renovation of one public school, regardless of
63 | whether the project's duration extends beyond a fiscal year.
- 64 | (b) The program maintains completed operations insurance
65 | coverage for a term during which the coverage is reasonably
66 | commercially available, as determined by the public agency, but
67 | for no less than 5 years.
- 68 | (c) The bid or proposal specifications for the project
69 | clearly specify, for all bidders or proposers, the insurance
70 | coverage provided under the program and the minimum safety
71 | requirements that must be met.
- 72 | (d) The program does not prohibit a contractor or
73 | subcontractor from purchasing any additional insurance coverage
74 | that the contractor or subcontractor believes is necessary for
75 | protection against any liability arising out of the contract.
76 | The cost of the additional insurance must be disclosed to the
77 | public agency.
- 78 | (e) The program does not include surety insurance.
- 79 | (f) The public agency may only purchase an owner-
80 | controlled insurance policy that has a deductible or self-
81 | insured retention if the deductible or self-insured retention
82 | does not exceed \$1 million per occurrence.
- 83 | (g) The public agency is responsible for payment of the
84 | applicable deductibles of all claims.



HB 1087

2003
CS

85 (3) EXEMPTIONS.--This section does not apply to the
86 following projects:

87 (a) Any project of the Department of Transportation that
88 is authorized under s. 337.11;

89 (b) Any existing project or projects of a public agency
90 that are the subject of an ongoing, owner-controlled insurance
91 program issued before October 1, 2003; or

92 (c) Any project of a public agency that is advertised by
93 the public agency before October 1, 2003, for the purpose of
94 receiving bids or proposals for the project.

95 Section 2. Section 627.441, Florida Statutes, is created
96 to read:

97 627.441 Commercial general liability policies; coverage to
98 contractors for completed operations.--

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

100 (a) "Contractor" means a contractor, subcontractor,
101 architect, or engineer performing work on a public construction
102 project under contract with a public agency, as described in s.
103 255.0517(2).

104 (b) "Liability insurer" means an insurer issuing a
105 commercial general liability insurance policy in this state to a
106 contractor that provides coverage for liability arising out of
107 completed operations performed by the contractor or on the
108 contractor's behalf.

109 (2) A liability insurer must offer coverage at an
110 appropriate additional premium for liability arising out of
111 current or completed operations under an owner-controlled
112 insurance program for any period beyond the period for which the



HB 1087

2003
CS

113 program provides liability coverage, as specified in s.
114 255.0517(2)(b). The period of such coverage must be sufficient
115 to protect against liability arising out of an action brought
116 within the time limits provided in s. 95.11(3)(c).

117 Section 3. This act shall take effect October 1, 2003.