



1 A bill to be entitled
2 An act relating to insurance; creating s. 255.0517, F.S.;
3 defining terms; limiting the authority of certain public
4 agencies to purchase owner-controlled insurance programs
5 for public construction projects; establishing purchase
6 requirements; providing exemptions; creating s. 627.441,
7 F.S.; requiring insurers issuing commercial general
8 liability policies to offer coverage for completed
9 operations liability for certain contractors to the extent
10 that coverage is not provided under an owner-controlled
11 insurance program; providing an effective date.

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

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

17 255.0517 Owner-controlled insurance programs for public
18 construction projects.--

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

20 (a) "Owner-controlled insurance program" means a
21 consolidated insurance program or series of insurance policies
22 issued to a public agency that may provide one or more of the
23 following types of insurance coverage for all of the
24 contractors, subcontractors, architects, and engineers working
25 at specified or multiple contracted work sites of a public
26 construction project: general liability, property damage,
27 workers' compensation, employer's liability, builder's risk, or
28 pollution liability coverage.



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

34 (c) "Multiple contracted work site" means construction
 35 being performed at multiple sites during one or more fiscal
 36 years that is part of a ongoing capital infrastructure
 37 improvement program, or involves the construction of one or more
 38 public schools.

39 (2) PURCHASE REQUIREMENTS.--A state agency, political
 40 subdivision, state university, community college, airport
 41 authority, or other public agency in this state, or any
 42 instrumentality thereof, may only purchase an owner-controlled
 43 insurance program in connection with a public construction
 44 project if it is determined necessary and in the best interest
 45 of the public agency and if each of the following conditions is
 46 met:

- 47 (a) The estimated total cost of the project is:
 48 1. Seventy-five million dollars or more;
 49 2. Thirty million dollars or more, if the project is for
 50 the construction or renovation of two or more public schools
 51 during a fiscal year; or
 52 3. Ten million dollars or more, if the project is for the
 53 construction or renovation of one public school, regardless of
 54 whether the project's duration extends beyond a fiscal year.

55 (b) The program maintains completed operations insurance
 56 coverage for a term during which the coverage is reasonably



57 commercially available, as determined by the public agency, but
58 for no less than 5 years.

59 (c) The bid or proposal specifications for the project
60 clearly specify, for all bidders or proposers, the insurance
61 coverage provided under the program and the minimum safety
62 requirements that must be met.

63 (d) The program does not prohibit a contractor or
64 subcontractor from purchasing any additional insurance coverage
65 that the contractor or subcontractor believes is necessary for
66 protection against any liability arising out of the contract.
67 The cost of the additional insurance must be disclosed to the
68 public agency.

69 (e) The program does not include surety insurance.

70 (f) The public agency may only purchase an owner-
71 controlled insurance policy that has a deductible or self-
72 insured retention if the deductible or self-insured retention
73 does not exceed \$1 million per occurrence.

74 (g) The public agency is responsible for payment of the
75 applicable deductibles of all claims.

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

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

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



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

86 Section 2. Section 627.441, Florida Statutes, is created
87 to read:

88 627.441 Commercial general liability policies; coverage to
89 contractors for completed operations.--

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

91 (a) "Contractor" means a contractor, subcontractor,
92 architect, or engineer performing work on a public construction
93 project under contract with a public agency, as described in s.
94 255.0517(2).

95 (b) "Liability insurer" means an insurer issuing a
96 commercial general liability insurance policy in this state to a
97 contractor that provides coverage for liability arising out of
98 completed operations performed by the contractor or on the
99 contractor's behalf.

100 (2) A liability insurer must offer coverage at an
101 appropriate additional premium for liability arising out of
102 current or completed operations under an owner-controlled
103 insurance program for any period beyond the period for which the
104 program provides liability coverage, as specified in s.
105 255.0517(2)(b). The period of such coverage must be sufficient
106 to protect against liability arising out of an action brought
107 within the time limits provided in s. 95.11(3)(c).

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