

Bill No. CS for CS for SB 1724

Amendment No. Barcode 311390

| | <u>Senate</u> | CHAMBER ACTION | <u>House</u> |
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| 2 | 04/29/2003 11:41 AM | . | |
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| 11 | Senator Bennett moved the following amendment: | | |
| 12 | | | |
| 13 | Senate Amendment (with title amendment) | | |
| 14 | On page 19, line 8, delete that line | | |
| 15 | | | |
| 16 | and insert: | | |
| 17 | Section 14. Effective October 1, 2003, section | | |
| 18 | 255.0517, Florida Statutes, is created to read: | | |
| 19 | <u>255.0517 Owner-controlled-insurance programs for</u> | | |
| 20 | <u>public construction projects.--</u> | | |
| 21 | <u>(1) DEFINITIONS.--As used in this section, the term:</u> | | |
| 22 | <u>(a) "Owner-controlled-insurance program" means a</u> | | |
| 23 | <u>consolidated insurance program or series of insurance policies</u> | | |
| 24 | <u>issued to a public agency which may provide one or more of the</u> | | |
| 25 | <u>following types of insurance coverage for all of the</u> | | |
| 26 | <u>contractors, subcontractors, architects, and engineers working</u> | | |
| 27 | <u>at specified or multiple contracted work sites of a public</u> | | |
| 28 | <u>construction project: general liability, property damage,</u> | | |
| 29 | <u>workers' compensation, employer's liability, builder's risk,</u> | | |
| 30 | <u>or pollution liability coverage.</u> | | |
| 31 | <u>(b) "Specified contracted work site" means</u> | | |

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1 construction being performed during one or more fiscal years
2 at one site or a series of contiguous sites separated only by
3 a street, roadway, waterway, or railroad right-of-way, or
4 along a continuous system for the provision for water and
5 power.

6 (c) "Multiple contracted work site" means construction
7 being performed at multiple sites during one or more fiscal
8 years which is part of an ongoing capital infrastructure
9 improvement program or which involves the construction of one
10 or more public schools.

11 (2) PURCHASE REQUIREMENTS.--A state agency, political
12 subdivision, state university, community college, airport
13 authority, or other public agency in this state, or any
14 instrumentality thereof, may only purchase an
15 owner-controlled-insurance program in connection with a public
16 construction project if it is determined necessary and in the
17 best interest of the public agency and if each of the
18 following conditions is met:

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

20 1. Seventy-five million dollars or more;

21 2. Thirty million dollars or more, if the project is
22 for the construction or renovation of two or more public
23 schools during a fiscal year; or

24 3. Ten million dollars or more, if the project is for
25 the construction or renovation of one public school,
26 regardless of whether the project's duration extends beyond a
27 fiscal year.

28 (b) The program maintains
29 completed-operations-insurance coverage for a term during
30 which the coverage is reasonably commercially available as
31 determined by the public agency, but for no less than 5 years.

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1 (c) The bid or proposal specifications for the project
2 clearly specify, for all bidders or proposers, the insurance
3 coverage provided under the program and the minimum safety
4 requirements that must be met.

5 (d) The program does not prohibit a contractor or
6 subcontractor from purchasing any additional insurance
7 coverage that the contractor or subcontractor believes is
8 necessary for protection against any liability arising out of
9 the contract. The cost of the additional insurance must be
10 disclosed to the public agency.

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

12 (f) The public agency may only purchase an
13 owner-controlled-insurance policy that has a deductible or
14 self-insured retention if the deductible or self-insured
15 retention does not exceed \$1 million.

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

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

20 (a) Any project of the Department of Transportation
21 which is authorized under s. 337.11;

22 (b) Any existing project or projects of a public
23 agency which are the subject of an ongoing,
24 owner-controlled-insurance program issued before October 1,
25 2003; or

26 (c) Any project of a public agency which is advertised
27 by the public agency before October 1, 2003, for the purpose
28 of receiving bids or proposals for the project.

29 Section 15. Effective October 1, 2003, section
30 627.441, Florida Statutes, is created to read:

31 627.441 Commercial general liability policies;

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1 coverage to contractors for completed operations.--

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

3 (a) "Contractor" means a contractor, subcontractor,

4 architect, or engineer performing work on a public

5 construction project under contract with a public agency, as

6 described in s. 255.0517(2).

7 (b) "Liability insurer" means an insurer issuing a

8 commercial general liability insurance policy in this state to

9 a contractor which provides coverage for liability arising out

10 of completed operations performed by the contractor or on the

11 contractor's behalf.

12 (2) A liability insurer must offer coverage at an

13 appropriate additional premium for liability arising out of

14 current or completed operations under an

15 owner-controlled-insurance program for any period beyond the

16 period for which the program provides liability coverage, as

17 specified in s. 255.0517(2)(b). The period of this coverage

18 must be sufficient to protect against liability arising out of

19 an action brought within the time limits provided in s.

20 95.11(3)(c).

21 Section 16. Except as otherwise expressly provided in

22 this act, this act shall take effect July 1, 2003.

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

26 And the title is amended as follows:

27 On page 1, lines 2 and 3, delete those lines

28

29 and insert:

30 An act relating to construction services;

31 creating s. 255.0517, F.S.; defining terms;

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1 limiting the authority of certain public
2 agencies to purchase owner-controlled-insurance
3 programs for public construction projects;
4 establishing purchase requirements; providing
5 exemptions; creating s. 627.441, F.S.;
6 requiring insurers issuing commercial general
7 liability policies to offer coverage for
8 completed operations liability for certain
9 contractors to the extent that coverage is not
10 provided under an owner-controlled-insurance
11 program; amending s. 218.70,

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