## Florida Senate - 2004

By Senators Wise and Bennett

1A bill to be entitled2An act relating to insurance; creating s.3255.0517, F.S.; defining terms; limiting the4authority of certain public agencies to5purchase owner-controlled insurance programs6for public construction projects; establishing7purchase requirements; providing exemptions;8creating s. 627.441, F.S.; defining terms;9requiring insurers issuing commercial general10liability policies to offer coverage for11completed operations liability for certain12contractors to the extent that coverage is not13provided under an owner-controlled insurance14program; providing an effective date.151116Be It Enacted by the Legislature of the State of Florida:171118Section 1. Section 255.0517, Florida Statutes, is19created to read:20255.0517 Owner-controlled insurance programs for21public construction projects22(1) DEFINITIONSAs used in this section, the term:23(a) "Owner-controlled insurance program" means a24consolidated insurance program or series of insurance policies25issued to a public agency that may provide one or more of the26following types of insurance coverage for all of the27contractors, subcontractors, architects, and engineers working28at specified or multiple contracted work sites of a public29construction project: general liability,		5-310-04 See HB
3255.0517, F.S.; defining terms; limiting the4authority of certain public agencies to5purchase owner-controlled insurance programs6for public construction projects; establishing7purchase requirements; providing exemptions;8creating s. 627.441, F.S.; defining terms;9requiring insurers issuing commercial general10liability policies to offer coverage for11completed operations liability for certain12contractors to the extent that coverage is not13provided under an owner-controlled insurance14program; providing an effective date.15Be It Enacted by the Legislature of the State of Florida:171118Section 1. Section 255.0517, Florida Statutes, is19created to read:10255.0517 Owner-controlled insurance programs for11public construction projects12(1) DEFINITIONSAs used in this section, the term:13(a) "Owner-controlled insurance program" means a25issued to a public agency that may provide one or more of the26following types of insurance coverage for all of the27contractors, subcontractors, architects, and engineers working28at specified or multiple contracted work sites of a public29construction project: general liability, builder's risk,	1	A bill to be entitled
<ul> <li>authority of certain public agencies to</li> <li>purchase owner-controlled insurance programs</li> <li>for public construction projects; establishing</li> <li>purchase requirements; providing exemptions;</li> <li>creating s. 627.441, F.S.; defining terms;</li> <li>requiring insurers issuing commercial general</li> <li>liability policies to offer coverage for</li> <li>completed operations liability for certain</li> <li>contractors to the extent that coverage is not</li> <li>proyided under an owner-controlled insurance</li> <li>program; providing an effective date.</li> <li>Be It Enacted by the Legislature of the State of Florida:</li> <li>created to read:</li> <li>255.0517 Owner-controlled insurance programs for</li> <li>public construction projects</li> <li>(1) DEFINITIONSAs used in this section, the term:</li> <li>(a) "Owner-controlled insurance program" means a</li> <li>consolidated insurance program or series of insurance policies</li> <li>issued to a public agency that may provide one or more of the</li> <li>following types of insurance coverage for all of the</li> <li>contractors, subcontractors, architects, and engineers working</li> <li>at specified or multiple contracted work sites of a public</li> <li>construction project: general liability, builder's risk,</li> </ul>	2	An act relating to insurance; creating s.
5purchase owner-controlled insurance programs6for public construction projects; establishing7purchase requirements; providing exemptions;8creating s. 627.441, F.S.; defining terms;9requiring insurers issuing commercial general10liability policies to offer coverage for11completed operations liability for certain12contractors to the extent that coverage is not13provided under an owner-controlled insurance14program; providing an effective date.1516Be It Enacted by the Legislature of the State of Florida:1718Section 1. Section 255.0517, Florida Statutes, is19created to read:20255.0517 Owner-controlled insurance programs for21public construction projects22(1) DEFINITIONSAs used in this section, the term:23(a) "Owner-controlled insurance program" means a24consolidated insurance program or series of insurance policies25issued to a public agency that may provide one or more of the26following types of insurance coverage for all of the27contractors, subcontractors, architects, and engineers working28at specified or multiple contracted work sites of a public29construction project: general liability, builder's risk,	3	255.0517, F.S.; defining terms; limiting the
<pre>6 for public construction projects; establishing 7 purchase requirements; providing exemptions; 8 creating s. 627.441, F.S.; defining terms; 9 requiring insurers issuing commercial general 10 liability policies to offer coverage for 11 completed operations liability for certain 12 contractors to the extent that coverage is not 13 provided under an owner-controlled insurance 14 program; providing an effective date. 15 16 Be It Enacted by the Legislature of the State of Florida: 17 18 Section 1. Section 255.0517, Florida Statutes, is 19 created to read: 20 255.0517 Owner-controlled insurance programs for 21 public construction projects 22 (1) DEFINITIONSAs used in this section, the term: 23 (a) "Owner-controlled insurance program" means a 24 consolidated insurance program or series of insurance policies 25 issued to a public agency that may provide one or more of the 26 following types of insurance coverage for all of the 27 construction project: general liability, property damage, 30 workers' compensation, employer's liability, builder's risk, 31 32 Construction project: senter of the state of a public or struction project's construction projec</pre>	4	authority of certain public agencies to
<pre>7 7 7 7 7 7 7 7 8 7 8 7 8 7 8 7 8 7 9 7 9</pre>	5	purchase owner-controlled insurance programs
<pre>8 creating s. 627.441, F.S.; defining terms; 9 requiring insurers issuing commercial general 10 liability policies to offer coverage for 11 completed operations liability for certain 12 contractors to the extent that coverage is not 13 provided under an owner-controlled insurance 14 program; providing an effective date. 15 16 Be It Enacted by the Legislature of the State of Florida: 17 18 Section 1. Section 255.0517, Florida Statutes, is 19 created to read: 20 <u>255.0517 Owner-controlled insurance programs for</u> 21 <u>public construction projects</u> 22 (1) DEFINITIONSAs used in this section, the term: 3 (a) "Owner-controlled insurance program" means a 24 consolidated insurance program or series of insurance policies 25 issued to a public agency that may provide one or more of the 26 following types of insurance coverage for all of the 27 contractors, subcontractors, architects, and engineers working 28 at specified or multiple contracted work sites of a public 29 construction project: general liability, property damage, 30 workers' compensation, employer's liability, builder's risk,</pre>	6	for public construction projects; establishing
9 requiring insurers issuing commercial general 10 liability policies to offer coverage for 11 completed operations liability for certain 12 contractors to the extent that coverage is not 13 provided under an owner-controlled insurance 14 program; providing an effective date. 15 16 Be It Enacted by the Legislature of the State of Florida: 17 18 Section 1. Section 255.0517, Florida Statutes, is 19 created to read: 20 <u>255.0517 Owner-controlled insurance programs for</u> 21 <u>public construction projects</u> 22 (1) DEFINITIONSAs used in this section, the term: 23 <u>(a) "Owner-controlled insurance program" means a</u> 24 consolidated insurance program or series of insurance policies 25 issued to a public agency that may provide one or more of the 26 following types of insurance coverage for all of the 27 construction project: general liability, property damage, 30 workers' compensation, employer's liability, builder's risk,	7	purchase requirements; providing exemptions;
<pre>10 liability policies to offer coverage for 11 completed operations liability for certain 12 contractors to the extent that coverage is not 13 provided under an owner-controlled insurance 14 program; providing an effective date. 15 16 Be It Enacted by the Legislature of the State of Florida: 17 18 Section 1. Section 255.0517, Florida Statutes, is 19 created to read: 20 255.0517 Owner-controlled insurance programs for 21 public construction projects 22 (1) DEFINITIONSAs used in this section, the term: 23 (a) "Owner-controlled insurance program" means a 24 consolidated insurance program or series of insurance policies 25 issued to a public agency that may provide one or more of the 26 following types of insurance coverage for all of the 27 contractors, subcontractors, architects, and engineers working 28 at specified or multiple contracted work sites of a public 29 construction project: general liability, property damage, 30 workers' compensation, employer's liability, builder's risk,</pre>	8	creating s. 627.441, F.S.; defining terms;
11completed operations liability for certain12contractors to the extent that coverage is not13provided under an owner-controlled insurance14program; providing an effective date.1516Be It Enacted by the Legislature of the State of Florida:1718Section 1. Section 255.0517, Florida Statutes, is19created to read:20255.0517 Owner-controlled insurance programs for21public construction projects22(1) DEFINITIONSAs used in this section, the term:23(a) "Owner-controlled insurance program" means a24consolidated insurance program or series of insurance policies25issued to a public agency that may provide one or more of the26following types of insurance coverage for all of the27contractors, subcontractors, architects, and engineers working28at specified or multiple contracted work sites of a public29construction project: general liability, property damage,30workers' compensation, employer's liability, builder's risk,	9	requiring insurers issuing commercial general
12contractors to the extent that coverage is not13provided under an owner-controlled insurance14program; providing an effective date.15	10	liability policies to offer coverage for
13provided under an owner-controlled insurance14program; providing an effective date.15161718Section 1. Section 255.0517, Florida Statutes, is19created to read:20255.0517 Owner-controlled insurance programs for21public construction projects22(1) DEFINITIONSAs used in this section, the term:23(a) "Owner-controlled insurance program" means a24consolidated insurance program or series of insurance policies25issued to a public agency that may provide one or more of the26following types of insurance coverage for all of the27contractors, subcontractors, architects, and engineers working28at specified or multiple contracted work sites of a public29construction project: general liability, property damage,30workers' compensation, employer's liability, builder's risk,	11	completed operations liability for certain
14program; providing an effective date.151617181718191920255.051721public construction projects22(1)232425.01122525252627282920202122232425252526272829292020212223242525252627282920202122232425252526272829202021222324252525262728292020212223242525252627282929202122232425<	12	contractors to the extent that coverage is not
15 16 Be It Enacted by the Legislature of the State of Florida: 17 18 Section 1. Section 255.0517, Florida Statutes, is 19 created to read: 20 <u>255.0517 Owner-controlled insurance programs for</u> 21 <u>public construction projects</u> 22 (1) DEFINITIONSAs used in this section, the term: 23 (a) "Owner-controlled insurance program" means a 24 <u>consolidated insurance program or series of insurance policies</u> 25 <u>issued to a public agency that may provide one or more of the</u> 26 <u>following types of insurance coverage for all of the</u> 27 <u>contractors, subcontractors, architects, and engineers working</u> 28 <u>at specified or multiple contracted work sites of a public</u> 29 <u>construction project: general liability, property damage,</u> 30 workers' compensation, employer's liability, builder's risk,	13	provided under an owner-controlled insurance
16Be It Enacted by the Legislature of the State of Florida:1718Section 1. Section 255.0517, Florida Statutes, is19created to read:20255.0517 Owner-controlled insurance programs for21public construction projects22(1) DEFINITIONSAs used in this section, the term:23(a) "Owner-controlled insurance program" means a24consolidated insurance program or series of insurance policies25issued to a public agency that may provide one or more of the26following types of insurance coverage for all of the27construction project: general liability, property damage,28at specified or multiple contracted work sites of a public29workers' compensation, employer's liability, builder's risk,	14	program; providing an effective date.
<pre>17 18 Section 1. Section 255.0517, Florida Statutes, is 19 created to read: 20 255.0517 Owner-controlled insurance programs for 21 public construction projects 22 (1) DEFINITIONSAs used in this section, the term: 23 (a) "Owner-controlled insurance program" means a 24 consolidated insurance program or series of insurance policies 25 issued to a public agency that may provide one or more of the 26 following types of insurance coverage for all of the 27 contractors, subcontractors, architects, and engineers working 28 at specified or multiple contracted work sites of a public 29 construction project: general liability, property damage, 30 workers' compensation, employer's liability, builder's risk,</pre>	15	
Section 1. Section 255.0517, Florida Statutes, is created to read: 255.0517 Owner-controlled insurance programs for public construction projects 21 (1) DEFINITIONSAs used in this section, the term: (a) "Owner-controlled insurance program" means a 24 consolidated insurance program or series of insurance policies 25 issued to a public agency that may provide one or more of the 26 following types of insurance coverage for all of the 27 contractors, subcontractors, architects, and engineers working 28 at specified or multiple contracted work sites of a public 29 construction project: general liability, property damage, 30 workers' compensation, employer's liability, builder's risk,	16	Be It Enacted by the Legislature of the State of Florida:
<pre>19 created to read: 20 <u>255.0517 Owner-controlled insurance programs for</u> 21 public construction projects 22 (1) DEFINITIONSAs used in this section, the term: (a) "Owner-controlled insurance program" means a 24 consolidated insurance program or series of insurance policies 25 issued to a public agency that may provide one or more of the 26 following types of insurance coverage for all of the 27 contractors, subcontractors, architects, and engineers working 28 at specified or multiple contracted work sites of a public 29 construction project: general liability, property damage, 30 workers' compensation, employer's liability, builder's risk,</pre>	17	
20 <u>255.0517 Owner-controlled insurance programs for</u> 21 <u>public construction projects</u> 22 <u>(1) DEFINITIONSAs used in this section, the term:</u> 23 <u>(a) "Owner-controlled insurance program" means a</u> 24 <u>consolidated insurance program or series of insurance policies</u> 25 <u>issued to a public agency that may provide one or more of the</u> 26 <u>following types of insurance coverage for all of the</u> 27 <u>contractors, subcontractors, architects, and engineers working</u> 28 <u>at specified or multiple contracted work sites of a public</u> 29 <u>construction project: general liability, property damage,</u> 30 <u>workers' compensation, employer's liability, builder's risk,</u>	18	Section 1. Section 255.0517, Florida Statutes, is
public construction projects (1) DEFINITIONSAs used in this section, the term: (a) "Owner-controlled insurance program" means a consolidated insurance program or series of insurance policies issued to a public agency that may provide one or more of the following types of insurance coverage for all of the contractors, subcontractors, architects, and engineers working at specified or multiple contracted work sites of a public construction project: general liability, property damage, workers' compensation, employer's liability, builder's risk,	19	created to read:
(1) DEFINITIONSAs used in this section, the term: (a) "Owner-controlled insurance program" means a consolidated insurance program or series of insurance policies issued to a public agency that may provide one or more of the following types of insurance coverage for all of the contractors, subcontractors, architects, and engineers working at specified or multiple contracted work sites of a public construction project: general liability, property damage, workers' compensation, employer's liability, builder's risk,	20	255.0517 Owner-controlled insurance programs for
(a) "Owner-controlled insurance program" means a consolidated insurance program or series of insurance policies issued to a public agency that may provide one or more of the following types of insurance coverage for all of the contractors, subcontractors, architects, and engineers working at specified or multiple contracted work sites of a public construction project: general liability, property damage, workers' compensation, employer's liability, builder's risk,	21	public construction projects
24 <u>consolidated insurance program or series of insurance policies</u> 25 <u>issued to a public agency that may provide one or more of the</u> 26 <u>following types of insurance coverage for all of the</u> 27 <u>contractors, subcontractors, architects, and engineers working</u> 28 <u>at specified or multiple contracted work sites of a public</u> 29 <u>construction project: general liability, property damage,</u> 30 <u>workers' compensation, employer's liability, builder's risk,</u>	22	(1) DEFINITIONSAs used in this section, the term:
25 issued to a public agency that may provide one or more of the 26 following types of insurance coverage for all of the 27 contractors, subcontractors, architects, and engineers working 28 at specified or multiple contracted work sites of a public 29 construction project: general liability, property damage, 30 workers' compensation, employer's liability, builder's risk,	23	(a) "Owner-controlled insurance program" means a
<pre>26 following types of insurance coverage for all of the 27 contractors, subcontractors, architects, and engineers working 28 at specified or multiple contracted work sites of a public 29 construction project: general liability, property damage, 30 workers' compensation, employer's liability, builder's risk,</pre>	24	consolidated insurance program or series of insurance policies
27 contractors, subcontractors, architects, and engineers working 28 at specified or multiple contracted work sites of a public 29 construction project: general liability, property damage, 30 workers' compensation, employer's liability, builder's risk,	25	issued to a public agency that may provide one or more of the
28 <u>at specified or multiple contracted work sites of a public</u> 29 <u>construction project: general liability, property damage,</u> 30 <u>workers' compensation, employer's liability, builder's risk,</u>	26	following types of insurance coverage for all of the
<pre>29 construction project: general liability, property damage, 30 workers' compensation, employer's liability, builder's risk,</pre>	27	contractors, subcontractors, architects, and engineers working
30 workers' compensation, employer's liability, builder's risk,	28	at specified or multiple contracted work sites of a public
	29	construction project: general liability, property damage,
31 or pollution liability coverage.	30	workers' compensation, employer's liability, builder's risk,
	31	or pollution liability coverage.

1

_	
1	(b) "Specified contracted work site" means
2	construction being performed during one or more fiscal years
3	at one site or a series of contiguous sites separated only by
4	a street, roadway, waterway, or railroad right-of-way or along
5	a continuous system for the provision for water and power.
6	(c) "Multiple contracted work site" means construction
7	being performed at multiple sites during one or more fiscal
8	years that is part of an ongoing capital infrastructure
9	improvement program or involves the construction of one or
10	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 owner-controlled
15	insurance program in connection with a public construction
16	project if it is determined necessary and in the best interest
17	of the public agency and if each of the following conditions
18	<u>is met:</u>
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 completed operations
29	insurance coverage for a term during which the coverage is
30	reasonably commercially available, as determined by the public
31	agency, but for no less than 5 years.
	2

2

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 per occurrence.
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, owner-controlled
24	insurance program issued before October 1, 2004; or
25	(c) Any project of a public agency which is advertised
26	by the public agency before October 1, 2004, for the purpose
27	of receiving bids or proposals for the project.
28	Section 2. Section 627.441, Florida Statutes, is
29	created to read:
30	627.441 Commercial general liability policies;
31	coverage to contractors for completed operations
	3

1	(1) As used in this section, the term:
2	(a) "Contractor" means a contractor, subcontractor,
3	architect, or engineer performing work on a public
4	construction project under contract with a public agency, as
5	described in s. 255.0517(2).
б	(b) "Liability insurer" means an insurer issuing a
7	commercial general liability insurance policy in this state to
8	a contractor that provides coverage for liability arising out
9	of completed operations performed by the contractor or on the
10	contractor's behalf.
11	(2) A liability insurer must offer coverage at an
12	appropriate additional premium for liability arising out of
13	current or completed operations under an owner-controlled
14	insurance program for any period beyond the period for which
15	the program provides liability coverage, as specified in s.
16	255.0517(2)(b). The period of such coverage must be sufficient
17	to protect against liability arising out of an action brought
18	within the time limits provided in s. 95.11(3)(c).
19	Section 3. This act shall take effect October 1, 2004.
20	
21	
22	
23	
24	
25	
26	
27	
28	
29	
30	
31	
	4