

1 A bill to be entitled
 2 An act relating to construction contracts; creating s.
 3 627.442, F.S.; authorizing certain parties to a
 4 construction contract to accept or reject certain
 5 insurance policies or certificates under certain
 6 circumstances; providing construction for acceptance of
 7 such insurance policies or certificates under certain
 8 circumstances; providing for unenforceability of certain
 9 contract provisions under certain circumstances;
 10 prohibiting certain parties to a construction contract
 11 from rejecting or withholding payment for certain work
 12 performed or materials provided under a construction
 13 contract under certain circumstances; providing an
 14 effective date.

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

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 18 Section 1. Section 627.442, Florida Statutes, is created
 19 to read:

20 627.442 Construction contract insurance provisions;
 21 acceptance, rejection, application.--

22 (1) If a written construction contract requires a
 23 subcontractor, sub-subcontractor, or materialman to provide a
 24 policy or certificate of insurance to the general contractor or
 25 the subcontractor for work performed or material provided,
 26 extending specific coverage rights to an additional insured, the
 27 general contractor or subcontractor may accept or reject the
 28 policy or certificate as being nonconforming at any time prior

29 to the date the subcontractor or sub-subcontractor commences
30 work or the materialman delivers material.

31 (2) If, within 3 days after receiving the policy or
32 certificate, the general contractor or subcontractor does not
33 reject the policy or certificate in writing, stating the
34 specific reasons for rejection, the general contractor or
35 subcontractor shall be deemed to have accepted the policy or
36 certificate for work performed or materials supplied until such
37 time as the policy or certificate is specifically rejected in
38 writing.

39 (3)(a) If the general contractor or subcontractor rejects
40 the policy or certificate as nonconforming, the provision of the
41 contract requiring such insurance is unenforceable.

42 (b) The general contractor or subcontractor may not use
43 the lack of conforming insurance as a reason to reject work
44 already completed by a subcontractor or sub-subcontractor or
45 material already supplied by the materialman or to withhold
46 payment to the subcontractor or sub-subcontractor for work
47 already completed or to the materialman for material already
48 supplied.

49 Section 2. This act shall take effect July 1, 2006.