

Bill No. SB 1624

Barcode 670182

CHAMBER ACTION

Senate

House

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The Committee on Banking and Insurance (Bennett) recommended  
the following amendment:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause

and insert:

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

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

(1) DEFINITIONS.--As 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 any contractor or  
subcontractor working at specified or multiple contracted work  
sites of a public construction project: general liability,  
property damage excluding coverage for damage to real  
property, workers' compensation, employer's liability, or  
pollution liability coverage.

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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 single continuous system ~~for the provision for water and~~  
 6 ~~power.~~

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

12           (d) "Capital infrastructure improvement program" means  
 13 a public agency program involving the construction of a public  
 14 service, system, facility, or other public work, including,  
 15 but not limited to, potable water, wastewater, reclaimed  
 16 water, stormwater, drainage, streets or roads, intermodal  
 17 transportation, electric service, gas service, airport  
 18 services or seaport services, and services, systems,  
 19 facilities, or other public works incidental thereto.

20           (2) PURCHASE REQUIREMENTS.--A state agency, political  
 21 subdivision, state university, community college, airport  
 22 authority, or other public agency in this state, or any  
 23 instrumentality thereof, may only purchase an owner-controlled  
 24 insurance program in connection with a public construction  
 25 project if it is determined necessary and in the best interest  
 26 of the public agency and if all of the following conditions  
 27 are met:

- 28           (a) The estimated total cost of the project is:  
 29           1. Seventy-five million dollars or more;  
 30           2. Thirty million dollars or more, if the project is  
 31 for the construction or renovation of two or more public

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1 schools during a fiscal year; or

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

6           (b) The program maintains completed operations  
7 insurance coverage for a term during which the coverage is  
8 reasonably commercially available, as determined by the public  
9 agency, but for no less than 10 5 years.

10           (c) The bid or proposal specifications for the project  
11 clearly specify, for all bidders or proposers, the insurance  
12 coverage provided under the program and the minimum safety  
13 requirements that must be met.

14           (d) The program does not prohibit a contractor or  
15 subcontractor from purchasing any additional insurance  
16 coverage that the contractor or subcontractor believes is  
17 necessary for protection against any liability arising out of  
18 the contract. The cost of the additional insurance must be  
19 disclosed to the public agency.

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

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

25 Contractors, including any owner or principal acting as a  
26 general contractor, and subcontractors performing work under a  
27 construction project insured by an owner-controlled insurance  
28 program are not required to individually satisfy eligibility  
29 requirements for large deductible workers' compensation rating  
30 plans. Such contractors and subcontractors may combine their  
31 payrolls under the owner-controlled insurance program for

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1 workers' compensation coverage as long as the minimum  
 2 deductible for the construction project is \$100,000 or more  
 3 and the standard estimated premium for the construction  
 4 project is \$500,000 or more.

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

7 (3) CAPITAL INFRASTRUCTURE IMPROVEMENT PROGRAM.--The  
 8 construction of a single public agency service, system,  
 9 facility, or other public work may not be combined with the  
 10 construction of another public agency service, system,  
 11 facility, or other public work to satisfy the amount specified  
 12 in subparagraph (2)(a)1. unless the multiple services,  
 13 systems, facilities, or other public works are part of:

14 (a) A capital infrastructure improvement program that  
 15 will be performed under a single prime contract; or

16 (b) An interrelated capital infrastructure improvement  
 17 program that interconnects the housing or transportation of  
 18 persons or cargo arriving via an airport or seaport, and the  
 19 combined estimated costs of the construction projects exceed  
 20 \$125 million.

21 (4)(3) EXEMPTIONS.--This section does not apply to the  
 22 following projects:

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

25 (b) Any existing project or projects of a public  
 26 agency which are the subject of an ongoing, owner-controlled  
 27 insurance program issued before October 1, 2004; ~~or~~

28 (c) Any project of a public agency which is advertised  
 29 by the public agency before October 1, 2004, for the purpose  
 30 of receiving bids or proposals for the project; ~~or-~~

31 (d) Any project or projects of a public agency which

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1 are committed to an ongoing, owner-controlled insurance  
2 program issued before October 1, 2007.

3 Section 2. This act shall take effect October 1, 2007.

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

7 And the title is amended as follows:

8 Delete everything before the enacting clause

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10 and insert:

11 A bill to be entitled  
12 An act relating to owner-controlled insurance  
13 programs for public construction projects;  
14 amending s. 255.0517, F.S.; redefining the term  
15 "specified contracted work site"; defining the  
16 term "capital infrastructure improvement  
17 program"; requiring purchase of  
18 owner-controlled insurance in connection with a  
19 public construction project if the program  
20 maintains completed operations insurance  
21 coverage for no less than 10 years; exempting  
22 contractors and subcontractors working under a  
23 construction project insured by an  
24 owner-controlled insurance program from  
25 individually satisfying eligibility  
26 requirements for large deductible workers'  
27 compensation rating plans; authorizing such  
28 contractors and subcontractors to combine their  
29 payrolls under the owner-controlled insurance  
30 program for workers' compensation coverage as  
31 long as the minimum deductible for the project

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1 is \$100,000 or more and the standard estimated  
2 premium is \$500,000 or more; providing for a  
3 capital infrastructure improvement program;  
4 providing limitations concerning when the  
5 construction of a single public agency service,  
6 system, facility, or other public work may be  
7 combined with the construction of another  
8 public agency service, system, facility, or  
9 other public work to satisfy the amount  
10 specified for the purchase requirements;  
11 providing an exemption for any project of a  
12 public agency which is committed to an ongoing  
13 owner-controlled insurance program issued  
14 before October 1, 2007; providing an effective  
15 date.

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