

1 A bill to be entitled

2 An act relating to owner-controlled insurance programs for
3 public construction projects; amending s. 255.0517, F.S.;
4 providing and revising definitions; extending the time for
5 which an owner-controlled insurance program must maintain
6 completed operations insurance coverage as a condition
7 precedent to the purchase by specified state agencies or
8 entities of an owner-controlled insurance program in
9 connection with a public construction project; exempting
10 certain contractors and subcontractors from eligibility
11 requirements for certain workers' compensation rating
12 plans; authorizing certain contractors and subcontractors
13 to combine payrolls for workers' compensation coverage
14 under certain circumstances; prohibiting the combining of
15 construction of public agency services, systems,
16 facilities, and other public works for certain purposes;
17 providing exceptions for certain capital infrastructure
18 improvement programs; specifying additional projects
19 exempt from application of program requirements; providing
20 an effective date.

21
22 Be It Enacted by the Legislature of the State of Florida:

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24 Section 1. Subsection (1) and paragraphs (b) and (f) of
25 subsection (2) of section 255.0517, Florida Statutes, are
26 amended, present subsection (3) is renumbered as subsection (4)
27 and amended, and a new subsection (3) is added to that section,
28 to read:

29 255.0517 Owner-controlled insurance programs for public
30 construction projects.--

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

32 (a) "Capital infrastructure improvement program" means a
33 public agency program involving the construction of a public
34 service, system, facility, or other public work, including, but
35 not limited to, potable water, wastewater, reclaimed water,
36 stormwater, drainage, streets or roads, intermodal
37 transportation, electric service, gas service, airport services,
38 or seaport services, and services, systems, facilities, or other
39 public works incidental thereto.

40 (b)~~(e)~~ "Multiple contracted work site" means construction
41 being performed at multiple sites during one or more fiscal
42 years that is part of an ongoing capital infrastructure
43 improvement program or involves the construction of one or more
44 public schools.

45 (c)~~(a)~~ "Owner-controlled insurance program" means a
46 consolidated insurance program or series of insurance policies
47 issued to a public agency that may provide one or more of the
48 following types of insurance coverage for any contractor or
49 subcontractor working at specified or multiple contracted work
50 sites of a public construction project: general liability,
51 property damage excluding coverage for damage to real property,
52 workers' compensation, employer's liability, or pollution
53 liability coverage.

54 (d)~~(b)~~ "Specified contracted work site" means construction
55 being performed during one or more fiscal years at one site or a
56 series of contiguous sites separated only by a street, roadway,

57 | waterway, or railroad right-of-way or along a single continuous
58 | ~~system for the provision for water and power.~~

59 | (2) PURCHASE REQUIREMENTS.--A state agency, political
60 | subdivision, state university, community college, airport
61 | authority, or other public agency in this state, or any
62 | instrumentality thereof, may only purchase an owner-controlled
63 | insurance program in connection with a public construction
64 | project if it is determined necessary and in the best interest
65 | of the public agency and if all of the following conditions are
66 | met:

67 | (b) The program maintains completed operations insurance
68 | coverage for a term during which the coverage is reasonably
69 | commercially available, as determined by the public agency, but
70 | for no less than 10 5 years.

71 | (f) The public agency may only purchase an owner-
72 | controlled insurance policy that has a deductible or self-
73 | insured retention if the deductible or self-insured retention
74 | does not exceed \$1 million per occurrence. Contractors,
75 | including any owner or principal acting as a general contractor,
76 | and subcontractors performing work under a construction project
77 | insured by an owner-controlled insurance program are not
78 | required to individually satisfy eligibility requirements for
79 | large-deductible workers' compensation rating plans. Such
80 | contractors and subcontractors may combine their payrolls under
81 | the owner-controlled insurance program for workers' compensation
82 | coverage so long as the minimum deductible for the construction
83 | project is \$100,000 or more and the standard estimated premium
84 | for the construction project is \$500,000 or more.

85 (3) CAPITAL INFRASTRUCTURE IMPROVEMENT PROGRAM.--The
 86 construction of a single public agency service, system,
 87 facility, or other public work may not be combined with the
 88 construction of another public agency service, system, facility,
 89 or public work to satisfy the amount specified in subparagraph
 90 (2) (a) 1. unless the multiple services, systems, facilities, or
 91 other public works are part of:

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

94 (b) An interrelated capital infrastructure improvement
 95 program that interconnects the housing or transportation of
 96 persons or cargo arriving via an airport or seaport, and the
 97 combined estimated costs of the construction projects exceed
 98 \$125 million.

99 (4) ~~(3)~~ EXEMPTIONS.--This section does not apply to the
 100 following projects:

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

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

106 (c) Any project of a public agency which is advertised by
 107 the public agency before October 1, 2004, for the purpose of
 108 receiving bids or proposals for the project; ~~or~~

109 (d) Any project or projects of a public agency which is
 110 committed to an ongoing, owner-controlled insurance program
 111 issued before October 1, 2007.

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