

1 A bill to be entitled
 2 An act relating to wrap-up insurance policies;
 3 creating s. 627.4138, F.S.; providing definitions;
 4 providing that wrap-up insurance policies may include
 5 workers' compensation claim deductibles equal to or
 6 greater than a specified amount if specified standards
 7 are met; providing an effective date.

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

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 11 Section 1. Section 627.4138, Florida Statutes, is created
 12 to read:

13 627.4138 Wrap-up insurance policies for nonpublic
 14 construction projects.-

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

16 (a) "Specified contracted work site" means construction
 17 being performed during one or more policy years at one site or
 18 multiple sites for the same construction project.

19 (b) "Wrap-up insurance policy" means a policy issued to
 20 the nonpublic owner or general contractor of a construction
 21 project that may provide one or more of the following types of
 22 insurance coverage for contractors and subcontractors working at
 23 a specified contracted work site of the construction project:
 24 general liability, property damage liability, workers'
 25 compensation, employers' liability, or pollution liability.

26 (2) A wrap-up insurance policy may include a deductible of
 27 \$100,000 or more for workers' compensation claims if:

28 (a) The workers' compensation minimum standard premium

29 calculated on the combined payrolls for all entities covered by
30 the policy exceeds \$500,000;

31 (b) The insurer is obligated to pay first dollar of a
32 claim as any other workers' compensation policy without a
33 deductible;

34 (c) The reimbursement of the deductible by the insured
35 does not affect the insurer's obligation to pay claims;

36 (d) The insurer complies with all filing requirements of
37 the Department of Financial Services under chapter 440 for all
38 losses, including those below the deductible limit;

39 (e) The insurer files unit statistical reports with the
40 National Council on Compensation Insurance (NCCI) that show all
41 losses, including those below the deductible limit;

42 (f) The unit statistical reports necessary for the
43 calculation of an experience modification factor for the insured
44 are filed with NCCI;

45 (g) The insurer complies with NCCI Aggregate Financial
46 Calls, Detail Claim Information Calls, Unit Statistical
47 Reporting, and other required calls; and

48 (h) The insurer has an established program to evaluate the
49 financial ability of the insured to reimburse the insurer for
50 losses paid within the deductible.

51 Section 2. This act shall take effect July 1, 2013.