

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 of the same construction project.

19           (b)   "Wrap-up insurance policy" means policies issued to  
 20   the nonpublic owner or the general contractor of a construction  
 21   project through a consolidated insurance program which may  
 22   provide general liability, property damage liability, workers'  
 23   compensation, employers' liability, or pollution liability  
 24   insurance coverage or a combination of such coverages for the  
 25   contractors and subcontractors working at a specified contracted  
 26   work site of the construction project.

27           (2)   A wrap-up insurance policy may include a deductible of  
 28   \$100,000 or more for workers' compensation claims if:

29        (a) The workers' compensation minimum standard premium  
30 calculated on the combined payrolls for all entities covered by  
31 the policy exceeds \$500,000;

32        (b) The estimated cost of the construction to be performed  
33 at each specified contracted work site of a construction project  
34 is \$25 million or more;

35        (c) The insurer is obligated to pay the first dollar of a  
36 claim like any other workers' compensation policy without a  
37 deductible;

38        (d) The reimbursement of the deductible by the insured  
39 does not affect the insurer's obligation to pay claims;

40        (e) The insurer complies with all the filing requirements  
41 of the Department of Financial Services under chapter 440 for  
42 all losses, including those below the deductible limit;

43        (f) The insurer files unit statistical reports with the  
44 National Council on Compensation Insurance which show all  
45 losses, including those below the deductible limit;

46        (g) The unit statistical reports necessary for the  
47 calculation of an experience modification factor for the insured  
48 are filed with the National Council on Compensation Insurance;

49        (h) The insurer complies with the National Council on  
50 Compensation Insurance aggregate financial calls, detail claim  
51 information calls, unit statistical reporting, and other  
52 required calls; and

53        (i) The insurer has an established program for having the  
54 first-named insured reimburse the insurer for losses paid within  
55 the deductible.

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