

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, whether the owner, the general contractor,
55 or a combination thereof, reimburse the insurer for losses paid
56 within the deductible.

CS/CS/CS/HB 343

2013

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