

By the Committees on Commerce and Tourism; and Banking and Insurance; and Senator Simmons

577-03306-13

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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.
8

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 to
12 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 a consolidated
20 insurance program or series of insurance policies issued to the
21 nonpublic owner, the general contractor, or combination thereof
22 which may provide one or more of the following types of
23 insurance coverage for a contractor or subcontractor working at
24 a specified contracted work site of a construction project:
25 general liability, property damage liability, workers'
26 compensation, employers' liability, or pollution liability.

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

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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 worksite 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 does
39 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 National Council on Compensation Insurance;

49 (h) The insurer complies with 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.

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