

THE FLORIDA SENATE  
2013 SUMMARY OF LEGISLATION PASSED  
**Committee on Banking and Insurance**

**CS/CS/SB 810 — Wrap-Up Insurance Policies**

by Commerce and Tourism Committee; Banking and Insurance Committee; and Senator Simmons

CS/CS/SB 810 defines a “wrap-up insurance policy” to mean a consolidated insurance program or series of insurance policies issued to the nonpublic owner or general contractor (or a combination of the two) of a construction project through a consolidated insurance program that provides workers’ compensation coverage, various forms of liability coverage, or a combination of such coverages for the contractors and subcontractors working at a specified contracted work site of the construction project.

The bill authorizes a wrap-up insurance policy to include a deductible of \$100,000 or more for workers’ compensation claims if all of the following prerequisites are met:

- The workers’ compensation minimum standard premium calculated on the combined payrolls for all entities covered by the wrap-up policy exceeds \$500,000;
- The estimated cost of the construction at each specified contracted worksite is \$25 million or more;
- The insurer pays the first dollar of a workers’ compensation claim without a deductible;
- The reimbursement of the deductible by the insured does not affect the insurer’s obligation to pay claims;
- The insurer complies with all workers’ compensation filing requirements under ch. 440, F.S., for losses, including those below the deductible limit;
- The insurer files unit statistical reports with the National Council on Compensation Insurance (NCCI) which show all losses, including those below the deductible limit;
- Any unit statistical report needed to calculate an experience modification factor for the insured are filed with the NCCI;
- The insurer complies with NCCI aggregate financial calls, detail claim information calls, unit statistical reporting, and other required calls; and
- The insurer establishes a program for having the first-named insured, whether the owner, the general contractor, or a combination thereof, reimburse the insurer for losses paid within the deductible.

If approved by the Governor, these provisions take effect July 1, 2013.

*Vote: Senate 40-0; House 115-0*