

Committee Substitute for
Committee Substitute for Senate Bill No. 1624

An act relating to owner-controlled insurance programs for public construction projects; amending s. 255.0517, F.S.; redefining the term “specified contracted work site”; defining the term “capital infrastructure improvement program”; requiring purchase of owner-controlled insurance in connection with a public construction project if the program maintains completed operations insurance coverage for no less than 10 years; exempting contractors and subcontractors working under a construction project insured by an owner-controlled insurance program from individually satisfying eligibility requirements for large deductible workers’ compensation rating plans; authorizing such contractors and subcontractors to combine their payrolls under the owner-controlled insurance program for workers’ compensation coverage as long as the minimum deductible for the project is \$100,000 or more and the standard estimated premium is \$500,000 or more; providing for a capital infrastructure improvement program; providing limitations concerning when the construction of a single public agency service, system, facility, or other public work may be combined with the construction of another public agency service, system, facility, or other public work to satisfy the amount specified for the purchase requirements; providing an exemption for any project of a public agency which is committed to an ongoing owner-controlled insurance program issued before October 1, 2007; providing an effective date.

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

Section 1. Section 255.0517, Florida Statutes, is amended to read:

255.0517 Owner-controlled insurance programs for public construction projects.—

(1) DEFINITIONS.—As used in this section, the term:

(a) “Owner-controlled insurance program” means a consolidated insurance program or series of insurance policies issued to a public agency that may provide one or more of the following types of insurance coverage for any contractor or subcontractor working at specified or multiple contracted work sites of a public construction project: general liability, property damage excluding coverage for damage to real property, workers’ compensation, employer’s liability, or pollution liability coverage.

(b) “Specified contracted work site” means construction being performed during one or more fiscal years at one site or a series of contiguous sites separated only by a street, roadway, waterway, or railroad right-of-way or along a single continuous system ~~for the provision for water and power~~.

(c) “Multiple contracted work site” means construction being performed at multiple sites during one or more fiscal years that is part of an ongoing

capital infrastructure improvement program or involves the construction of one or more public schools.

(d) “Capital infrastructure improvement program” means a public agency program involving the construction of a public service, system, facility, or other public work, including, but not limited to, potable water, wastewater, reclaimed water, stormwater, drainage, streets or roads, intermodal transportation, electric service, gas service, airport services, or seaport services, and services, systems, facilities, or other public works incidental thereto.

(2) PURCHASE REQUIREMENTS.—A state agency, political subdivision, state university, community college, airport authority, or other public agency in this state, or any instrumentality thereof, may only purchase an owner-controlled insurance program in connection with a public construction project if it is determined necessary and in the best interest of the public agency and if all of the following conditions are met:

(a) The estimated total cost of the project is:

1. Seventy-five million dollars or more;
2. Thirty million dollars or more, if the project is for the construction or renovation of two or more public schools during a fiscal year; or
3. Ten million dollars or more, if the project is for the construction or renovation of one public school, regardless of whether the project’s duration extends beyond a fiscal year.

(b) The program maintains completed operations insurance coverage for a term during which the coverage is reasonably commercially available, as determined by the public agency, but for no less than 10 5 years.

(c) The bid or proposal specifications for the project clearly specify, for all bidders or proposers, the insurance coverage provided under the program and the minimum safety requirements that must be met.

(d) The program does not prohibit a contractor or subcontractor from purchasing any additional insurance coverage that the contractor or subcontractor believes is necessary for protection against any liability arising out of the contract. The cost of the additional insurance must be disclosed to the public agency.

(e) The program does not include surety insurance.

(f) The public agency may only purchase an owner-controlled insurance policy that has a deductible or self-insured retention if the deductible or self-insured retention does not exceed \$1 million per occurrence. Contractors, including any owner or principal acting as a general contractor, and subcontractors performing work under a construction project insured by an owner-controlled insurance program are not required to individually satisfy eligibility requirements for large deductible workers’ compensation rating plans. Such contractors and subcontractors may combine their payrolls under the

owner-controlled insurance program for workers' compensation coverage as long as the minimum deductible for the construction project is \$100,000 or more and the standard estimated premium for the construction project is \$500,000 or more.

(g) The public agency is responsible for payment of the applicable deductibles of all claims.

(3) CAPITAL INFRASTRUCTURE IMPROVEMENT PROGRAM.—The construction of a single public agency service, system, facility, or other public work may not be combined with the construction of another public agency service, system, facility, or other public work to satisfy the amount specified in subparagraph (2)(a)1. unless the multiple services, systems, facilities, or other public works are part of:

(a) A capital infrastructure improvement program that will be performed under a single prime contract; or

(b) An interrelated capital infrastructure improvement program that interconnects the housing or transportation of persons or cargo arriving via an airport or seaport, and the combined estimated costs of the construction projects exceed \$125 million.

(4)(3) EXEMPTIONS.—This section does not apply to the following projects:

(a) Any project of the Department of Transportation which is authorized under s. 337.11;

(b) Any existing project or projects of a public agency which are the subject of an ongoing, owner-controlled insurance program issued before October 1, 2004; ~~or~~

(c) Any project of a public agency which is advertised by the public agency before October 1, 2004, for the purpose of receiving bids or proposals for the project; ~~or-~~

(d) Any project or projects of a public agency which are committed to an ongoing, owner-controlled insurance program issued before October 1, 2007.

Section 2. This act shall take effect October 1, 2007.

Approved by the Governor June 26, 2007.

Filed in Office Secretary of State June 26, 2007.