

## CHAPTER 2013-175

### Committee Substitute for Committee Substitute for Senate Bill No. 810

An act relating to wrap-up insurance policies; creating s. 627.4138, F.S.; providing definitions; providing that wrap-up insurance policies may include workers' compensation claim deductibles equal to or greater than a specified amount if specified standards are met; providing an effective date.

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

Section 1. Section 627.4138, Florida Statutes, is created to read:

627.4138 Wrap-up insurance policies for nonpublic construction projects.

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

(a) "Specified contracted work site" means construction being performed during one or more policy years at one site or multiple sites of the same construction project.

(b) "Wrap-up insurance policy" means a consolidated insurance program or series of insurance policies issued to the nonpublic owner, the general contractor, or combination thereof which may provide one or more of the following types of insurance coverage for a contractor or subcontractor working at a specified contracted work site of a construction project: general liability, property damage liability, workers' compensation, employers' liability, or pollution liability.

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

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

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

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

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

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

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

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

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

(i) The insurer has an established 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.

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

Approved by the Governor June 14, 2013.

Filed in Office Secretary of State June 14, 2013.