

# Division of Workers' Compensation

## IMPORTANT WORKERS' COMPENSATION INFORMATION FOR CONTRACTORS



CHIEF FINANCIAL OFFICER  
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STATE OF FLORIDA

### Coverage Requirements

- 1) A contractor or sub-contractor who is engaged in the construction industry and employs one or more employees must have Florida workers' compensation insurance. Corporate officers, in addition to limited liability, company members, sole proprietors, partners, and independent contractors engaged in the construction industry are considered employees under Florida's workers' compensation law. However, a contractor or sub-contractor who is engaged in the construction industry and is a corporate officer or a member of a limited liability company can apply for and obtain a valid construction industry exemption. Workers' compensation insurance is still required for the contractor's or subcontractor's employees.
- 2) A contractor shall require any sub-contractor who sub-contracts work from a contractor to provide evidence of Florida workers' compensation insurance. If the sub-contractor has a valid exemption, then the subcontractor shall also provide a copy of his or her certificate of exemption to the contractor. Proof of workers' compensation policy information and valid exemptions are listed on the Proof of Coverage database available from the Division of Workers' Compensation's website at [www.myfloridacfo.com/division/wc/](http://www.myfloridacfo.com/division/wc/) or you may contact the Division by calling 850-413-1601.
- 3) A change in job duties performed by employees or an increase in the amount of payroll of a business must be reported to the insurance company.
- 4) If a contractor has secured workers' compensation coverage for his or her employees by entering into an employee leasing arrangement, the contractor must specifically identify

coverage for each and every employee. The contractor must notify the employee leasing company of the names of all the covered employees and any additional employees that are working on a job site that may have been excluded from the employee leasing arrangement. Any change in job duties performed by the employees must also be reported to the employee leasing company.

- 5) Please see the reverse side of this flyer for information about obtaining workers' compensation insurance and for the eligibility requirements for a construction industry exemption.

### Out-of-State Contractors

- 1) An out-of-state contractor must immediately notify his or her insurance company and/or insurance agent that it has employees that are engaging in work in Florida.
- 2) An out-of-state construction industry contractor who has employees engaged in work in Florida, must either obtain a Florida workers' compensation insurance policy or an endorsement must be added to the out-of-state contractor's policy that lists Florida in section 3.A. of the policy. An out-of-state contractor working in Florida on a temporary basis that has a policy in a state that recognizes the extraterritorial provisions of Florida law should review s. 440.094 F.S., to determine if the work performed meets the definition of temporary work.
- 3) A Florida construction contractor engaged in work in this state who contracts with out-of-state contractors, must require proof of a Florida workers' compensation policy or an endorsement to the out-of-state contractor's policy that lists Florida in section 3.A. of the policy. If the out-of-state subcontractor does not provide proof of a Florida workers' compensation policy or of

an endorsement to the policy or does not have a valid workers' compensation exemption; the Florida contractor must contact his or her workers' compensation insurance carrier to update his or her policy to include such subcontractor and any persons that is employed by such sub-contractor.

### Enforcement Provisions

- 1) The Florida Division of Workers' Compensation is responsible for enforcing employer compliance with the coverage requirements of the workers' compensation law. Compliance investigators have the authority to conduct on-site inspection of job sites to ensure employer compliance. Investigators can also request an employer's business records. An employer must produce the required business records within twenty-one calendar days of the division's written request for records. If the employer fails to respond to the request within twenty-one calendar days of receipt of the Division's written request for records, the Division will issue a Stop-Work Order upon the employer requiring the employer to cease all business operations in the state.
- 2) A Stop-Work Order will also be issued to any employer who is required to secure Florida workers' compensation coverage but fails to do so. A Stop-Work Order will also be issued in cases where an employer may have a workers' compensation policy but understates or conceals payroll, misrepresents, or conceals employee duties or fails to utilize Florida' class codes and workers' compensation rates.
- 3) In order for the division to release a Stop-Work Order, an employer must provide evidence that it has come into compliance, and it has paid the monetary penalty.

## Where to Find Workers' Compensation Insurance Coverage

Contact an insurance agent. You can also contact the following insurance agent associations:

- Florida Association of Insurance Agents at 850-893-4155
- Professional Insurance Agents of Florida at 850-893-8245
- Latin American Association of Insurance Agencies at 305-477-1442

If you cannot obtain coverage through the standard workers' compensation market, you may contact the Florida Workers' Compensation Joint Underwriting Association (FWCJUA) at 941-378-7400 or visit their website at [www.fwcjua.com](http://www.fwcjua.com). The workers' compensation rates in the FWCJUA will be higher than the rates in the standard market.

You may also consider entering into an employee leasing arrangement with a professional employer organization that has secured workers' compensation coverage on behalf of its clients.

## How to Obtain a Construction Industry Exemption Application

For additional information about workers' compensation coverage and the location of the district offices nearest to you to obtain an exemption application, please call 1-850-413-1601.

You can apply for an exemption electronically through the Division's Notice of Election to be Exempt online application system at [www.myfloridacfo.com/division/wc/](http://www.myfloridacfo.com/division/wc/).

## Construction Industry Exemption Eligibility Information

You must be an officer of a corporation or a member of a limited liability company (LLC). However, an officer of a corporation or a member of a LLC who elects to be exempt may not recover workers' compensation benefits.

You must show evidence that you own at least 10% of the corporation or LLC.

**\*\*Your corporation or LLC must be registered with the Florida Department of State, Division of Corporations.**

You must be listed as an officer of the corporation in the records of the Florida Department of State, Division of Corporations.

You must list all certified or registered licenses issued to you pursuant to Chapter 489, Florida Statutes.

No more than three officers of a corporation (including LLC) or of any group of affiliated corporations (including LLCs) may elect to be exempt.

A \$50.00 application fee is required.

**\*\*Out-of-state contractors that are corporations or limited liability companies can qualify as foreign corporations or foreign limited liability companies by filing specific form and documentation with the Florida Division of Corporations.**

For more information regarding the foreign qualification requirements, call (850) 245- 6051 for LLC's or (850) 245-6052 for corporations.

The forms can be accessed at [www.sunbiz.org](http://www.sunbiz.org).

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**DWC**

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