Welcome!

Welcome to the inaugural edition of THE NAVIGATOR, the Bureau of Compliance’s public engagement newsletter. The purpose of THE NAVIGATOR is to inform Florida’s citizens, especially employers, about our activities in combatting fraud and to provide valuable insight about Florida’s compliance and coverage requirements. Florida's businesses and entrepreneurs who abide by the workers’ compensation law deserve to compete on a level playing field. Employers who have not secured workers’ compensation insurance or who under-report their payroll to their insurance companies in order to pay less premium gain an unfair economic advantage over those Florida businesses and entrepreneurs who follow the law. Identifying, investigating and sanctioning those non-compliant employers is the number one priority for the Bureau. Florida’s businesses and entrepreneurs deserve a level playing field, and we are working every day to achieve this goal.

We encourage you to share our newsletter with anyone or any group you think would find value in it. The more informed employers are, the better our workers’ compensation system will be.

If you have any feedback or suggestions on future topics for THE NAVIGATOR, please email them to: BOCFeedback@MyFloridaCFO.com.

Sincerely,

Jimmy Patronis
Chief Financial Officer (CFO)
State of Florida
INVESTIGATION UPDATES

Sixty (60) state-wide investigators conduct nearly 30,000 jobsite investigations a year to determine if employers have workers’ compensation coverage. These jobsite investigations can sometimes last for several hours due to the fact that numerous levels of contractor and subcontractor relationships may exist and identifying who employs the workers on the jobsite is not always clear.

Two cases illustrate this occurrence:

Case 1:
A Workers’ Compensation (WC) investigator observed numerous workers framing a single-family dwelling. The investigator confirmed that the workers had coverage through an employee leasing arrangement. However, during the investigation, the investigator learned that the owner of the framing company had been a principal or officer of multiple other construction companies to whom Stop-Work Orders (SWO) had been issued. The framing company was created to avoid payment of the prior penalties. The framing company was found to be a successor business entity pursuant to s.440.107(7)(b), Florida Statutes, which permitted the Bureau to apply the SWOs and associated penalties to the framing company. A referral was also made to the Division of Investigative and Forensic Services, formerly known as the Division of Insurance Fraud, for a possible WC insurance fraud violation.

Case 2:
A construction job site visit revealed a subcontractor was hired to perform installation work. As the investigation proceeded, numerous other subcontractors were also identified working on the job site. Each subcontractor did not have workers’ compensation coverage. Consequently, five (5) separate SWOs were issued to the sub-contractors.

LAW/RULE SPOTLIGHT

Did you know that s.440.107(3), Florida Statutes states that the failure of an employer to comply with the workers’ compensation coverage requirements poses an immediate danger to public health, safety, and welfare?

How do I know if my business is in the construction industry?

s.440.02(8), Florida Statutes defines construction industry. “Construction industry” means for-profit activities involving any building, clearing, filling, excavation, or substantial improvement in the size or use of any structure or the appearance of any land”. However, businesses should refer to Rule 69L-6.021, Florida Administrative Code (FAC). This rule provides the list of classification codes that are defined as the construction industry. If you are unsure of your classification code, call the National Council on Compensation Insurance at 1-800-622-4123.
Some businesses secure workers’ compensation coverage by entering into an employing leasing arrangement through a licensed Professional Employer Organization (PEO). An employee leasing arrangement only provides workers’ compensation coverage to those workers reported to and accepted by the PEO. This coverage differs from a standard workers’ compensation policy purchased by a business, which provides coverage to all its employees.

**COMPLIANCE TIPS**

**Tip 1:**
If your business enters into an employee leasing arrangement, immediately report all your workers to the PEO. Keep your leasing roster up-to-date with the PEO and report all your payroll to the PEO. Failure to report a worker or making payments directly to a worker and not reporting those payments will put your business out of compliance with the law and subject your business to a Stop-Work Order and penalty.

**Tip 2:**
If you subcontract work to a business that has secured coverage through an employing leasing arrangement, make sure the workers who are performing the subcontract work are listed with the PEO. Your business will assume the workers’ compensation liability for any worker not listed with the PEO at the time of the site visit.

**Tip 3:**
The Bureau is always seeking to use data to assist in our regulatory duties, but also provide employers with tools to help manage their workers’ compensation risk. The Construction Policy Tracking data-base: www.myfloridacfo.com/WCAPPS/Contractor is a free, online tool that allows anyone to track the coverage and exemption status of the subcontractors they use. Once you identify the subcontractors in the database, the system will automatically email the coverage and exemption status changes of the subcontractors you have selected. The database is updated daily, therefore, you will receive real-time information about your subcontractors.

**EXEMPTION TEAM SPOTLIGHT**

The Bureau of Compliance (BOC) accomplishes its mission, in part, through the management of the exemption process. The primary responsibility of the Bureau’s state-wide Exemption Team is to issue exemptions. To improve efficiency and cost effectiveness of internal processes and deliver value to the citizens of Florida, the Bureau created an electronic exemption application system for applicants to apply for or renew a Certificate of Election to be Exempt from Florida’s Workers’ Compensation Law, modify an exemption application, or print their certificate. To further educate and provide excellent customer service, the Division placed KIOSKS in all district offices. The KIOSKS are utilized to assist customers with completion and submission of the exemption application. Recently, the Exemption Team implemented a system to email notifications to Certificate Holders informing them of exemption renewal(s). About 125,000 renewal notices will be emailed this year, which is a cost savings of more than $57,500.

Last year, the Exemption Team received more than 176,000 exemption applications from officers of corporations and members of limited liability companies seeking to utilize the exemption provision of the Workers’ Compensation Law. Statutorily, the Exemption Team has 30 days to review and approve exemption applications; however, 99% of applications were handled in less than five (5) days of receipt, many on the same day received by the Division. The Exemption Team returns approximately 5% of exemption applications received due to incomplete or inaccurate information. The most common error made by applicants is entering an incomplete business name on the application.

The Division of Workers’ Compensation’s website provides detailed information on exemption eligibility requirements. For more information, go to www.myfloridacfo.com/Division/wc/
SEMINARS AND WEBINARS

**Location & Dates for Employer Seminars:**
- Miami: August 15, 2018
- Tampa: August 15, 2018
- Orlando: Sept 12, 2018
- Ft. Lauderdale: Sept 25, 2018
- Jacksonville: October 18, 2018

*Employer seminars contain information on both Workers’ Compensation & Workplace Safety and run from 9:00am-12:00pm ET.

The Webinar Sessions for Workers’ Compensation and Workplace Safety are from 2:00 PM thru 3:00 PM on the following dates:
- August 22 & 23, 2018
- September 12 & 13, 2018
- October 17 & 18, 2018

If you are interested in registering for an upcoming WEBINAR or EMPLOYER SEMINAR, please contact the BOC for opportunities that may be available to you via email at: BOCSeminars@myfloridacfo.com.

**Fast Fact**
During the 2017-2018 fiscal year, 5,601 new employees were covered under workers’ compensation insurance.

**Coverage Requirements**
For more information on Coverage or exemption information please visit our Key Coverage & Exemption Eligibility Requirements brochure.