Hurricane Michael left a large swath of damage and destruction throughout the northern Florida Gulf Coast and the Florida Panhandle. Reconstruction activities will be on-going for years to come, and we are confident that those areas will come back stronger than ever. The first step the Bureau of Compliance takes to ensure that the workers’ compensation coverage and compliance requirements are met in the aftermath of any significant natural disaster is to contact property owners and businesses whose structures were damaged or destroyed. Bureau of Compliance investigators distribute “Insurance and Reconstruction Information for Property Owners” and “Important Workers’ Compensation Information for Contractors” pamphlets. Out-of-state contractors are informed of Florida’s rules and laws.

Investigators collaborate with other government agencies, such as the Department of Business and Professional Regulation and local building and permitting officials. The Bureau of Compliance has applied these outreach initiatives in combination with our enforcement activities in response to previous natural disasters that impacted areas in our state. This comprehensive compliance strategy allows the Bureau of Compliance to successfully respond to the public health, safety, and welfare needs of those individuals and businesses impacted by Hurricane Michael and to those who will be working to rebuild our communities.

Sincerely,

Tanner Holloman
Director
What is the difference between a workers’ compensation policy and a PEO agreement with a client company?

Workers’ compensation is insurance coverage purchased by the employer/business that provides benefits for job-related employee injuries. This insurance coverage insures all employees. A PEO agreement with a client company is not a traditional workers’ compensation policy. The PEO is the party responsible for securing coverage with a workers’ compensation insurance carrier. Under the PEO agreement, only employees specifically named as employees of the client company are covered under the PEO’s policy.

What happens if an employer/business does not report all its payroll to the PEO?

When an employer/business does not report all its payroll to the PEO, that employer now has Dual Employment and is out of compliance with the Florida workers’ compensation law. The employer must report all payroll to the PEO to avoid being issued a Stop-Work Order for failure to secure proper coverage.

Case where an employer did not report all its payroll to the PEO and was paying the employees who were on the roster cash at the end of the day (Dual Employment):

While conducting routine compliance checks in March 2018, a State of Florida Workers’ Compensation Investigator observed several individuals on a residential roof. After interviewing all of the individuals, it was determined the employer had a PEO agreement. After verifying the agreement and the employees were in fact on the roster, it was determined the employer failed to report all the payroll because he was also paying the employees cash (uninsured payroll) at the end of each day. A Stop-Work Order was issued and the employer was assessed a $467,102.12 penalty for not reporting all payroll to the PEO.

Florida Workers’ Compensation Insurance Rates Decreased by 13.8%

The Office of Insurance Regulation (OIR) approved a 13.8 percent decrease to the workers’ compensation insurance rates in Florida. This overall rate decrease will result in huge savings for employers throughout the state. This decrease applies to new and renewal workers’ compensation insurance policies effective in Florida as of January 1, 2019.

“A workers’ compensation insurance decrease of 13.8 percent amounts to almost a half billion dollars in savings for Florida’s business community who support local economies, employ our neighbors, and give back to our communities.”

Jimmy Patronis
Chief Financial Officer
COMPLIANCE TIPS: Coverage Requirements

Whether your business falls under the category of construction or non-construction, understanding the workers’ compensation requirements (and keeping up with them as your business changes) can seem overwhelming. The foundation for compliance is determining if your business is liable for workers’ compensation. This is based on a threshold of the number of employees working for the business. For a construction business, the threshold is one; for non-construction, the threshold is four. If you aren’t sure if your business meets the threshold for its respective industry, here are some helpful tips.

Count All Employees:
Every employee’s safety is important, so both part-time and full-time employees count towards the threshold.

Count Yourself In:
If you perform services for your business and receive remuneration (compensation), you are considered an employee. Remuneration can include regular pay, distributions, dividends and personal expenses. A business owner can choose to not be included in the employee count by filing for an exemption.

Understand Your Exemption:
A business owner is not automatically exempt; exemptions must be applied for and then renewed every two years. An exemption applies to the individual on the certificate, not the entire business. If a business has multiple owners, each one must apply for a separate exemption.

An owner of multiple businesses must apply for a separate exemption for each business.

If your business is liable for workers’ compensation, evaluate both coverage options: a policy or leasing arrangement. Keep in mind that with leasing, only the employees listed on your roster with the leasing company are covered. No matter what method of compliance you’ve chosen, be proactive! Making payments on time, remembering to renew policies and exemptions and notifying your insurance or leasing company of staffing changes will ensure that your business remains in compliance.

Building your Tool Kit:
Each month, we will provide you with a helpful tool that allows you to ensure that your business is in full compliance with the workers’ compensation requirements in Florida. This month we are featuring our Coverage Assistance Program. This tool allows you to find carriers that are currently writing coverage for your scope of operations. By entering your class code (a 4-digit identification number issued by the National Council on Compensation Insurance, NCCI) you not only identify carriers writing coverage for your operations, but also the number of policies written for that line of work. This tool can assist you with locating a carrier to write your Workers’ Compensation Policy. To determine your class code, you can call NCCI at (800) 622-4123.

Helpful Hint
Use this map to help you locate the closest office. Simply click on the map and your county to get office details.
USEFUL LINKS:
Having trouble keeping track of your subcontractors or vendor's coverage? Use our Construction Policy Tracking Database to receive automatic updates from the Bureau to keep you up to date!

FAST FACTS:
Based on Division records, there were a total of 1,027,319 active exemptions at the end of Fiscal Year 17-18. The Division processes an average of 98% of all exemption applications within 5 business days of receipt.