



FLORIDA DEPARTMENT OF MANAGEMENT SERVICES



JEB BUSH
Governor

WILLIAM S. SIMON
Secretary

February 19, 2004

MEMORANDUM

TO: State Purchasing Directors

FROM: Theresa Dollar, Division of State Purchasing

SUBJECT: Workers' Compensation Insurance Changes

On January 1, 2004, the remaining workers' compensation changes created by Senate Bill 50A became effective. This Bill included many amendments to the workers' compensation law in Chapter 440 of the Florida Statutes. The primary change impacting our contracts is that independent contractors, sole proprietors and partners in the construction industry must maintain workers' compensation insurance. All previous exemptions filed for independent contractors, sole proprietors and partners in the construction industry will be voided as of January 1, 2004.

Subsequent to these changes and our December 3, 2003 insurance meeting, included is useful information for purchasing professionals:

- A list of construction industry classifications.
- The Division of Workers' Compensation Exemption Re-issuance Application Package.
- Contractual language suggestions for other contract exposures; *Professional Liability, Garage Liability/Garagekeepers, Environmental Liability, Aircraft Liability and Ocean Marine.*

As a reminder, the Division of Workers' Compensation within the Department of Financial Services has established a website for tracking insurance policy changes <http://www.fldfs.com/WCAPPS/Contractor/logon.asp> and a website to verify proof of coverage http://www.fldfs.com/WCAPPS/Compliance_POC/wPages/query.asp.

Construction Industry Classifications
(Source: DFS Rule 4L-6.021, Florida Administrative Code)

1. Landscape Gardening and Drivers
2. Farm Machinery Operation - By Contractor and Drivers
3. Oil or Gas Well: Cleaning or Swabbing of Old Wells Having Previously Produced Gas or Oil – By Contractor- No Drilling- and Drivers
4. Welding or Cutting N GC end Drivers
5. Oil Still Erection or Repair
6. Machinery or Equipment Erection or Repair NO C and Drivers
7. Boiler Installation or Repair - Steam
8. Ceiling Installation - Suspended Acoustical Grid Type
9. Masonry NOC
10. Painting: Metal Structures - Over Two Stories in Height - and Drivers
11. Iron or Steel: Erection - Frame Structures
12. Iron or Steel: Erection NOC
13. Iron or Steel: Erection - Frame Structures Not Over Two Stories in Height
14. Iron or Steel: Erection - Construction of Dwellings Not Over Two Stories in Height
15. Door, Door Frame or Sash Erection - Metal or Metal Covered
16. Furniture or Fixtures Installation - Portable - NOC
17. Elevator Erection or Repair
18. Plumbing NOC and Drivers
19. Automatic Sprinkler Installation and Drivers
20. Electrical Wiring - Within Buildings and Drivers
21. Concrete Construction NOC
22. Concrete Work - Incidental to the Construction of Private Residence
23. Concrete or Cement Work - Floors, Driveways, Yards, and Sidewalks - and Drivers
24. Concrete Construction in Connection with Bridges or Culverts
25. Swimming Pool Construction - Not Iron or Steel - and Drivers
26. Stone, Mosaic or Terrazzo or Ceramic Tile Work - Inside
27. Hothouse Erection - All Operations
28. Carpentry NOC
29. Carpentry - Installation of Cabinet Work or Interior Trim
30. Lathing and Drivers
31. Wallboard Installation Within Buildings and Drivers
32. Glazier- Away From Shop and Drivers
33. Asbestos Contractor - Pipe and Boiler Work Exclusively and Drivers
34. Asbestos Contractor -NOC and Drivers
35. Painting or Paperhanging NOC and Shop Operations, Drivers
36. Carpet, Linoleum, Vinyl, Asphalt, or Rubber Floor Tile Installation
37. Insulation Work NOC and Drivers
38. Plastering NOC and Drivers
39. Paperhanging and Drivers
40. Street or Road Construction: Paving or Repaving and Drivers
41. Street or Road Construction: Subsurface Work and Drivers
42. Street or Road Construction: Rock Excavation and Drivers
43. Street or Road Maintenance: County or State Department - and Drivers
44. Heating and Air Conditioning Duct Work - Shop and Outside - and Drivers
45. Sheet Metal Work - Shop and Outside - NOC and Drivers ,
46. Roofing - All Kinds and Yard Employees, Drivers
47. Contractor- Executive Supervisor or Construction Superintendent
48. Cleaner - Debris Removal
49. Cleaner - Debris Removal - Temporary Labor Service
50. Carpentry- Detached One or Two Family Dwellings

51. Carpentry - Dwellings - Three Stories or Less
52. Building Raising or Moving and Drivers
53. Salvage Operation - No Wrecking or Any Structural Operations
54. Pile Driving
55. Jetty or Breakwater Construction - All Operations to Completion and Drivers
56. Dam or Lock Construction: Concrete Work-All Operations
57. Dam or Lock Construction: Earth Moving or Placing- All Operations
58. Levee Construction - All Operations to Completion and Drivers
59. Drilling NOC and Drivers
60. Oil or Gas Well: Cementing and Drivers
61. Oil or Gas Well: Specialty Tool Operation NOC - By Contractor- All Employees and Drivers
62. Oil or Gas Well: Perforating of Casing - All Employees and Drivers
63. Oil or Gas Lease Work NOC - By Contractor and Drivers
64. Excavation and Drivers
65. Irrigation or Draining System Construction and Drivers
66. Oil or Gas Pipeline Construction and Drivers
67. Oil or Gas Well: Drilling or Redrilling and Drivers
68. Oil or Gas Well: Installation or Recovery of Casing and Drivers
69. Oil or Gas Well: Instrument Logging or Survey Work and Drivers
70. Tunneling - Not Pneumatic - All Operations
71. Shaft Sinking - All Operations
72. Tunneling - Pneumatic - All Operations
73. Sewer Construction- All Operations and Drivers
74. Gas Main or Connection Construction and Drivers
75. Conduit Construction - For Cable or Wires - and Drivers
76. Fence Erection - Metal
77. Electric Light or Power Line Construction and Drivers
78. Telephone, Telegraph or Fire Alarm Construction and Drivers
79. Burglar Alarm Installation or Repair and Drivers
80. Telephone or Cable TV Line Installation - Contractors, Underground and Drivers
81. Telephone or Cable TV Line Installation - Contractors, Overhead, and Drivers
82. Telephone or Cable TV Line Installation - Contractors, Service Lines and Connections and Drivers
83. Railroad Construction: Laying or Relaying of Tracks or Maintenance of Way by Contractor- No Work on Elevated Railroads - and Drivers
84. Construction or Erection - Permanent Yard
85. Mobile Crane and Hoisting Service Contractors - NOC - All Operations - Including Yard Employees and Drivers
86. Sign Installation, Maintenance, Repair, Removal, or Replacement NOC & Drivers



DEPARTMENT OF FINANCIAL SERVICES

Tom Gallagher
Chief Financial Officer

September 25, 2003

IMPORTANT NOTICE TO CONSTRUCTION INDUSTRY EXEMPTION HOLDERS

This notice is being sent to advise you of recent changes to the workers' compensation law that will affect everyone who currently has a workers' compensation construction exemption. These changes will not take effect until January 1, 2004; however, certain actions by you are required before that date to assure that your exemption remains valid on and after January 1, 2004.

Please read this notice and its attachments very carefully. Effective January 1, 2004, for persons engaged in the construction industry, only officers of a corporation who own at least 10% of the stock of the corporation will be eligible for an exemption. If you currently hold an exemption as a sole proprietor or a partner of a partnership engaged in the construction industry, your exemption will not be valid on or after January 1, 2004. If you wish to continue to be exempt after January 1, 2004, you must complete and return the attached "RE-ISSUANCE OF NOTICE OF ELECTION TO BE EXEMPT" form. In order to complete the Re-Issuance of Notice of Election to be Exempt form, there are some actions that must be taken. Specifically, your business must become a corporation, registered with the Division of Corporations, Department of State and you must be listed as an officer of such corporation. You also must provide a stock certificate issued by the corporation evidencing you are the owner of at least 10% of the stock in the corporation.

Please be advised that corporations are legal entities that may result in additional requirements and responsibilities for your business. We encourage you to consult with an attorney or accountant before making the decision to change your business from a sole proprietorship or partnership to a corporation. **FOR CONTRACTORS LICENSED UNDER CHAPTER 489, FLORIDA STATUTES, PLEASE REFER TO THE DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION IMPORTANT NOTICE ENCLOSED HEREIN.**

If you hold a current exemption as an officer of a corporation engaged in the construction industry, your exemption will not be valid after January 1, 2004, unless you complete and return the attached form, Re-Issuance Of Notice Of Election To Be Exempt, and your exemption is re-issued. To meet the requirements for re-issuance of your current exemption, you must be listed as a corporate officer with the Department of State, Division of Corporations, and you must provide a stock certificate issued by the corporation evidencing you are the owner of at least 10% of the stock of the corporation.

The form entitled "RE-ISSUANCE OF NOTICE OF ELECTION TO BE EXEMPT" is to be used only to apply to continue your current exemption. A reissued exemption will be effective for the remaining period of the exemption that you currently hold. For example, if you are the holder of an exemption that expires July 31, 2004, and your exemption is re-issued, the re-issued exemption will also expire on July 31, 2004. **THERE IS NO CHARGE OR FEE FOR RE-ISSUANCE OF AN EXEMPTION.**

To apply for a re-issuance of exemption, please complete the Re-issuance of Exemption Application Form included in this package, including all attachments. Please mail or take the completed form and required attachments to the workers compensation district office nearest you for processing. In order to be assured that your exemption is re-

Workers' Compensation Information Online - <http://www.fldfs.com/WC/>

DWC 250-X Revised September, 2003

To view online: <http://www.fldfs.com/wc/pdf/DWC250Xpack.pdf>

issued before January 1, 2004, your application must be postmarked or received by the Department no later than November 30, 2003.

The Division of Workers' Compensation has offices throughout the state with personnel to assist you in completing the re-issuance form or to answer any questions regarding exemption re-issuance you may have. For assistance please contact the workers' compensation office nearest you.

Sincerely,



Tanner Holloman, Director
Division of Workers' Compensation

WORKERS COMPENSATION DISTRICT OFFICES

12381 S. Cleveland Ave.
Suite #506
Ft. Myers FL 33907
Telephone (239) 278-7239

9000 Regency Square Blvd.
Suite #212
Jacksonville FL 32211-8100
Telephone (904) 798-5806

401 NW 2nd Ave.
Suite #321 South Tower
Miami FL 33128
Telephone (305) 536-0306

1111 NE 25th Ave.
Suite #403
Ocala FL 34470
Telephone (352) 401-5350

400 West Robinson St.
Room #211 North Tower
Orlando FL 32801
Telephone (407) 245-0896

2686 Chapman Dr.
Panama City FL 32405
Telephone (850) 747-5425

3670-A North L Street
1st Floor
Pensacola FL 32505-5217
Telephone (850) 595-5505

499 Northwest 70th Ave.
Suite #116
Plantation FL 33317
Telephone (954) 321-3143 or
(954) 321-3160

1718 Main St.
Suite #201
Sarasota FL 34236
Telephone (941) 361-6022

2012 Capital Circle SE
Suite #102 Hartman Bldg.
Tallahassee FL 32399-2161
Telephone (850) 414-1237 or
(850) 488-2717

9215 N. Florida Ave.
Suite #107
Tampa FL 33612
Telephone (813) 930-7558

3111 South Dixie Hwy.
Suite #123
West Palm Beach FL 33405
Telephone (561) 837-5412

Florida's Future...

DBPR

*Right Here,
Right Now*

STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

Jon Bush, Governor
Diane Carr, Secretary

Important Notice

If you are a contractor licensed under Chapter 489, Florida Statutes, operating as a sole proprietor, and you incorporate your business, you must apply for a change of status with the Construction Industry Licensing Board to reflect the appropriate corporate name on your contractor's license. It is a violation of Section 489.129, Florida Statutes, to perform contracting in a name that does not appear on your license. If you are operating as a corporation, you must also apply for a qualified business license (also known as a certificate of authority). This requirement is contained in Section 489.119(2), Florida Statutes. The change of status application fee is \$50. The qualified business license application fee is \$59.

If you fail to follow the provisions addressed above, you are violating Florida law. You could be subject to possible disciplinary action, including fines and possible suspension or revocation of your license for repeat violations. Change of status and qualified business license applications and instructions may be found on the Internet at www.MyFlorida.com/dbpr > Professions and Professional Boards > Professions Form Center. You may also contact the department at (850) 487-1395 for assistance.

1000 North Monroe Street
Tallahassee, Florida 32399
(850) 487-1395
www.MyFlorida.com/dbpr

**APPLICATION FOR RE-ISSUANCE OF NOTICE OF
ELECTION TO BE EXEMPT**

(CONSTRUCTION INDUSTRY ONLY)

Please use this application to apply for a re-issuance of an active construction industry exemption under the new law effective 01-01-2004. THERE IS NO FEE OR CHARGE FOR RE-ISSUANCE OF AN EXEMPTION.

STATE USE ONLY	
Effective/Issue Date:	_____
Expiration Date:	_____
Control Number:	_____
Postmark Date:	_____
Received Date:	_____

By filing this application, you elect to be exempt from the provisions of Chapter 440, Florida Statutes and waive any right you may have to workers' compensation benefits in the State of Florida should you become injured on the job. Certain documentation is required by law to be attached to this application. Please refer to the instruction sheet for more details.

SECTION 1: APPLICANT INFORMATION			
Name of Applicant: _____		Social Security #: _____	Current Exemption Expiration Date: _____
Mailing Address: _____		City: _____	State: _____ Zip: _____
County: _____	Phone #: _____ ()	Scope of Business or Trade: Please List your primary business or trade. This Exemption is applicable only to the trade or business listed: _____	

SECTION 2: CORPORATE INFORMATION	
Name of Corporation: _____	
Corporation Registration Number: _____	FEIN: _____

SECTION 3: LICENSES
Certified or Registered Licenses held by the applicant pursuant to Chapter 489, F.S. _____

SECTION 4: AFFILIATED CORPORATIONS (attached an additional sheet if needed)		
1. Corporate Name: _____	FEIN: _____	DOC Number _____
2. Corporate Name: _____	FEIN: _____	DOC Number _____
3. Corporate Name: _____	FEIN: _____	DOC Number _____
4. Corporate Name: _____	FEIN: _____	DOC Number _____
5. Corporate Name: _____	FEIN: _____	DOC Number _____

SECTION 5: DOCUMENTATION REQUIRED TO BE ATTACHED TO THIS APPLICATION
1. A stock certificate evidencing at least 10 percent ownership of the corporation
2. A copy of the relevant occupational license issued in the primary jurisdiction of the business

AFFIDAVIT OF APPLICANT: Any person who, knowingly and with intent to injure, defraud, or deceive the department or any employer or employee, insurance company or any other person, files a notice of election to be exempt containing any false or misleading information is guilty of a felony of the third degree. I hereby certify that the information contained herein is true and correct.

TYPE/PRINT NAME OF PERSON APPLYING FOR EXEMPTION

APPLICANT'S SIGNATURE

DATE SIGNED

NOTARY STATE OF FLORIDA, COUNTY OF _____

Sworn to and subscribed before me this _____ day of _____, _____, by _____

Personally Known _____ OR Produced Identification _____ Type of Identification Produced _____

NOTARY SIGNATURE _____ My Commission Expires _____

**INSTRUCTIONS FOR COMPLETING
APPLICATION FOR RE-ISSUANCE OF NOTICE OF ELECTION TO BE EXEMPT**

THERE IS NO PROCESSING FEE REQUIRED

Please complete this application **ONLY if you hold a current, active workers' compensation construction exemption with an effective date prior to December 31, 2003.** An approved Re-issuance of Notice of Election To Be Exempt will be effective January 1, 2004 and remain in effect until the expiration date on your current exemption. There is no fee or charge for the re-issuance exemption.

This Re-issuance application applies only to the corporate officer signing the application. Effective January 1, 2004, only officers of a corporation who are shareholders and own at least 10% of the stock of a corporation will be eligible for the construction industry exemption. If you wish to continue your exemption and you are an officer of a corporation engaged in work in the construction industry, who has at least a 10% ownership in the stock of the corporation, please complete the attached form and return to the local office nearest you at your earliest convenience, no later than November 30, 2003. **There is no fee for filing the Re-issuance form.**

Please note that forming a corporation is an important business decision. Corporations are legal entities that must be approved by the Florida Department of State, Division of Corporations. There is information on forming a corporation available at the Division of Corporation's website, www.sunbiz.org. It is recommended that you consult with an attorney or accountant, when making the decision whether to incorporate your business.

SECTION 1 – APPLICANT INFORMATION

Please complete this section with information that is specific to the corporate officer who is applying for the re-issuance exemption.

Mailing Address – Please list the current mailing address of the corporate officer who is applying for the re-issuance exemption.

Current Exemption Expiration Date - Please list the expiration date that is shown on your current Construction Industry Exemption.

Scope of Business or Trade – Please identify the trade or business activity that best describes your business.

SECTION 2 - CORPORATE INFORMATION

Please complete this section with information that is specific to the corporation of which you are an officer.

Name of Corporation – Please list the name of the corporation of which you are an officer and own at least 10% of the corporation stock.

FEIN- Please list the federal employer identification number of the corporation.

Corporate Registration Number - The corporate registration number is the document number that was assigned to your corporation by the Department of State, Division of Corporations when your corporation was established. All corporation registered with the Department of State will have this number. The number can be found on the uniform business report that was filed with the Division of Corporations. Corporate information is available on their website, <http://www.sunbiz.org/>.

SECTION 3 – LICENSES

Certified Or Registered License Held Pursuant to Chapter 489, F.S. – If you are a contractor required to be licensed by the Department of Business & Professional Regulation you must list the license number on this form. **This section does not require listing licenses issued by local jurisdictions.** If you are not require/d to be licensed by the Department of Business & Professional Regulation, please leave this line blank.

SECTION 4 - AFFILIATED CORPORATIONS

No more than three (3) officers of a corporation or of any group of affiliated corporations may elect to be exempt.

If the corporation of which you are an officer is affiliated with other corporations, please list the name, FEIN, and corporation DOC Number of each such affiliated corporation. If there are more than (5) affiliated corporations, please attach a separate sheet.

If the corporation of which you are an officer is not affiliated with any other corporation, based upon the definition of “Affiliated Corporation” below, please leave this section blank.

For purposes of determining whether there are affiliated corporations of the corporation for which you are an officer, the following statutory definitions applies: Affiliated corporations means and includes one or more corporations or entities, any one of which is a corporation engaged in the construction industry, under the same or substantially the same control of a group of business entities which are connected or associated so that one entity controls or has the power to control each of the other business entities. The term “affiliated” includes, but is not limited to, the officers, directors, executives, shareholders active in management, employees, and agents of the affiliated corporation. The ownership by one entity or a pooling of equipment or income among business entities shall be prima facie evidence that one business is affiliated with the other.

SECTION 5 - DOCUMENTATION REQUIRED TO BE ATTACHED TO THIS APPLICATION

A Stock Certificate – Each applicant must attach a copy of the stock certificate(s) issued to the applicant by the corporation named on this application evidencing at least ten percent (10%) ownership of the named corporation on the date that this application is filed with the Department.

Occupational License - Each applicant must submit a copy of any occupational license required by the city or county in which the business is located or performing regular work. If the city or county does not require an occupational license, the applicant must state on the application “**No occupational license is required**”.

AFFIDAVIT OF APPLICANT :

An affidavit is a sworn statement in writing made especially under oath or on affirmation before an authorized officer. This section should be completed after careful review of the statement being attested to. Type or print your name and social security number on the application. The application should not be signed or dated until you are in the presence of a notary public.

NOTARY PUBLIC:

The application must be notarized prior to submission. Any licensed notary public may notarize the application. They should not be related to you. Most banks have a notary public available to notarize documents. There may be a charge for this service. *Please be advised that workers' compensation office personnel do not notarize applications for re-issuance of construction industry exemptions.*

THERE IS NO PROCESSING FEE REQUIRED WITH THIS APPLICATION.

Workers' Compensation Information Online - <http://www.fldfs.com/WC/>

Please submit this form with all attachments to the district office listed below that is closest to your place of business. Please review the application checklist to make sure your application is complete.

CHECKLIST OF ITEMS REQUIRED:

- (1) A completed APPLICATION FOR RE-ISSUANCE OF NOTICE OF ELECTION TO BE EXEMPT (please keep a copy of the completed application for your records)
- (2) A copy of a corporate stock certificate(s) evidencing 10% ownership
- (3) A copy of the occupational license

WORKERS' COMPENSATION DISTRICT OFFICES

12381 S. Cleveland Ave.
Suite #506
Ft. Myers FL 33907
Telephone (239) 278-7239

9000 Regency Square Blvd.
Suite #212
Jacksonville FL 32211-8100
Telephone (904) 798-5806

401 NW 2nd Ave.
Suite #321 South Tower
Miami FL 33128
Telephone (305) 536-0306

1111 NE 25th Ave.
Suite #403
Ocala FL 34470
Telephone (352) 401-5350

400 West Robinson St.
Room #211 North Tower
Orlando FL 32801
Telephone (407) 245-0896

2686 Chapman Dr.
Panama City FL 32405
Telephone (850) 747-5425

3670-A North L Street
1st Floor
Pensacola FL 32505-5217
Telephone (850) 595-5505

499 Northwest 70th Ave.
Suite #116
Plantation FL 33317
Telephone (954) 321-3143 or
(954) 321-3160

1718 Main St.
Suite #201
Sarasota FL 34236
Telephone (941) 361-6022

2012 Capital Circle SE
Suite #102 Hartman Bldg.
Tallahassee FL 32399-2161
Telephone (850) 414-1237 or
(850) 488-2717

9215 N. Florida Ave.
Suite #107
Tampa FL 33612
Telephone (813) 930-7558

3111 South Dixie Hwy.
Suite #123
West Palm Beach FL 33405
Telephone (561) 837-5412

Contractual Language Suggestion

As a follow-up to the December 3, 2003, insurance meeting the following contractual language examples are provided:

Professional liability coverage (*Errors and Omissions*) for the negligent acts, errors or omissions in the performance of the professional services provided in connection with this contract including a minimum limit of \$300,000.

Garage liability coverage for bodily injury and property damage claims including premises and operations liability, products liability and completed operations liability for all autos used or serviced in connection with this contract, with a minimum of \$300,000 per accident and \$600,000 policy aggregate. Garagekeepers coverage must be provided on a comprehensive basis with Direct primary coverage, whereby damages are paid without regard of the contractor's legal liability.

Environmental impairment liability insurance coverage for the sudden and gradual releases of pollutants. Coverage shall apply to bodily injury, property damage and cleanup costs, with a minimum aggregate limit of \$1,000,000.

Aviation liability insurance coverage including passenger liability coverage for bodily injury and property damage claims, with a minimum combined single limit of \$500,000.

Ocean Marine insurance coverage including protection and indemnity insurance for the nautical equivalent of bodily injury and property damage liability insurance, with a minimum liability limit of \$300,000 including collision..