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ATTENTION CONTRACTORS: WORKERS' COMP EXEMPTION UPDATE

As you know from last month's newsletter, there are some very significant changes to Florida's workers' compensation law. This new law phases in several important changes affecting the construction industry.

Until December 31, 2003, contractors holding exemptions can use them on both commercial and residential jobs, regardless of the job size. For the rest of this calendar year, sole proprietors, partners, and up to 3 corporate officers can be exempt on all construction jobs.

Another change to exemptions will be effective on January 1, 2004. Starting January 1st, construction exemptions will be limited to 3 corporate officers who each own at least 10% of the corporation's stock. Sole proprietors and partners in the construction industry will no longer be allowed to exempt themselves. The Division of Workers' Compensation has interpreted this new law to mean that **all construction exemptions are invalidated as of 1/1/04.**

A new exemption that meets the requirements of the new law must be obtained prior to 1/1/04 to maintain a construction exemption. In other words, EVERY construction exemption, including those that are scheduled to expire some time after 1/1/04, are invalid on 1/1/04 and a new exemption must be obtained for use on and after 1/1/04.

There will be no "grandfathering" provision allowing corporate officers to continue to use their exemptions past 1/1/04. If you are a corporate officer in the construction industry with a current exemption, that exemption will expire on

12/31/03. If you want to use an exemption after 1/1/04, you must reapply and receive a new exemption before the end of the year. Remember, only corporate officers owning at least 10% of the corporation's stock will be allowed to apply for exemptions. The new forms to apply for an exemption are not ready at this time; the Division of Workers' Compensation tells us that they expect to mail out information packets to all current exemption holders in the next few weeks.

Also, the Division of Workers' Compensation has indicated that officers of a Limited Liability Company or LLC will **not** be able to obtain exemptions under the new law.

If you have any questions about these important changes, please call the FUBA offices at 1-800-262-4483 and ask for Karen or Lance.

GOOD NEWS FOR SMALL BUSINESSES: WORKERS' COMP RATES GOING DOWN

Effective October 1, 2003, the workers' compensation rates for Florida employers will be reduced by 14%. On that date, your workers' comp premium will decrease by a flat 14%, no matter how what kind of business you are in or how many employees you have. The new, lower rates will apply from October 1 to the end of your policy period. Then, the new rates will be applied to your renewal policy. If you are insured through FUBA Workers' Comp, you will receive an invoice reflecting the new premium in mid-September. If you have any questions about the new rates and how they apply to your business, please call your insurance agent or the FUBA Workers' Comp offices.

SUMMARY OF NEW WORKERS' COMP LAW AVAILABLE

The Division of Workers' Compensation has put together a summary of Senate Bill 50-A, which is a major re-write of Florida's workers' compensation law. This summary goes over issues such as effective dates for major law changes, new medical service amendments, and the department's power to enforce employer compliance with coverage requirements and election and revocation of exemptions. Senate Bill 50-A makes changes designed to reduce litigation, provide greater compliance and enforcement authority for the division to combat fraud, and to increase availability and affordability of coverage for employers. This summary can be found on the Division's website at www.fldfs.com/WC. You can also use this web address to submit a question on the new law to the Division. Or, you can call the FUBA offices and ask to have a copy faxed to you.

ATTENTION CONTRACTORS: LIEN LAW SEMINAR

The Tampa branch of the National Association of Credit Managers is hosting a seminar entitled "Construction liens in the 21st Century" on Tuesday, October 7, 2003, in Ft. Myers. Topics to be covered include:

- 2003 Legislative Session update
- Lien and bond law time periods
- Where to obtain the information you need
- How to prepare and serve notices
- Demands for Sworn Statement of Account
- Protecting your payment rights with lien and bond waiver

The seminar is designed for people who are not experts in lien law but who want to sort through this confusing aspect of the law. The cost is \$100.00. To register, call the FUBA offices and we will fax you a registration form. Or, you can log on to www.nacmtampa.com and click the link for Construction Lien Law Seminar.

HEALTH INSURANCE UPDATE

Speaker of the House of Representatives Johnnie Byrd (R-Plant City) has appointed a Select Committee on Affordable Health Care for Floridians. This committee will investigate and address the cause of rising health insurance costs for Florida's employers and employees. Throughout October and November, the committee will hold a series of public hearings to gather information from Florida's small businesses on how the health insurance crisis is affecting them. The committee wants to hear ideas, suggested changes and input for the legislative process to address making health insurance more affordable. FUBA encourages all members to attend one of these seminars and provide testimony to the committee members.

All hearings are scheduled from 3:00 p.m. to 7:00 p.m. on the following dates and locations:

- October 7
Orange County Convention Center
9800 International Dr
Orlando, FL 32819
(407) 685-5505
- October 14
The Miami Jewish Home & Hospital for the Aged
5200 Northeast Second Ave
Miami, FL 33137
(305) 751-8626
- October 29
Jacksonville/Duval Council Chambers
117 West Duval St
Jacksonville, FL 33202
(904) 630-1452
- November 4
H. Lee Moffitt Cancer Center & Research Institute
Stabile Research Building Auditorium
12902 Magnolia Drive
Tampa, FL 33612
(813) 924-8932
- November 11
Pensacola Junior College
1000 College Blvd
Pensacola, FL 32504
(850) 484-1780