

HOUSE MESSAGE SUMMARY

Date: April 28, 1998

Bill Subject: Workers' Compensation Compliance and Fraud

Prepared By: Senate Committee on Banking and Insurance

I. Amendments Contained in Message

House Amendment - 363825 (body with title)

II. Summary of Amendments Contained in Message

House Amendment requires the Division of Workers' Compensation (DWC) to notify the workers' compensation carrier identified in the request for exemption when the division revokes the exemption. Mandates the DWC to notify a certificateholder with notice of the expiration date of his/her exemption and an application for renewal of the exemption within 60 days prior to the expiration date of a construction industry certificate of exemption. (This provision was not in Senate bill.)

Changes the language of the Senate bill to clarify that an independent contractor who provides the general contractor with *both* an affidavit stating that he/she meets the requirements of an independent contractor (under s. 440.02, F.S.) and a certificate of exemption is not an employee and may not recover benefits under this chapter. It also clarifies that the certificate of exemption for an independent contractor must be as a sole proprietor, corporate officer, or partner. Specifies that for purposes of determining the appropriate premium for workers' compensation coverage, that carriers may not consider any person who meets the requirements of this paragraph to be an employee.

Changes the language of the Senate bill to provide that, for the purposes of obtaining a building permit, proof of coverage, an exemption certificate, or proof of authority to self insure, shall be presented each time the employer applies for a permit.

Provides that every carrier shall file with the DWC within 21 days after issuance of a policy, whether the policy is a minimum premium policy. (This provision was not in Senate bill.)

Adds a new provision to permit insurance carriers, as a condition to issuance of a policy, to require the employer to release certain employment and wage information maintained by the Division of Unemployment Compensation. This will allow insurance carriers to compare the employment information provided by the employer to the carrier with the data provided to the DUC. (This provision was not in Senate bill.)

Requires the DWC and the Division of Fraud within the Dept. of Insurance to prepare and submit a "joint performance report" as to the results obtained in achieving compliance with workers'

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compensation coverage requirements and reducing the incidence of fraud to the Senate President and House Speaker by Nov. 1 of each year for the next 2 years, and then every 3 years. (This provision was not in Senate bill.)

Places the statute of limitations in a different section (s. 775.15, F.S.) than provided in the Senate bill (s. 440.105, F.S.)

Other provisions are the same as in CS/CS/SB 1406.