



FLORIDA WORKERS' COMPENSATION KEY COVERAGE REQUIREMENTS AND EXEMPTION INFORMATION AT-A-GLANCE

This document is a general summary of Florida law regarding workers' compensation exemptions, and is not intended to provide legal advice or insurance coverage advice. For specific questions, please contact Bellwether Insurance Group (BIG) at (954)800-6400 or email us at info@BIGRiskManagement.com.

Key Coverage Requirements:

1. Non-construction employers with 4 or more employees (full-time or part-time) must provide workers' compensation coverage for all employees.
2. Construction industry employers with 1 or more employees (full-time or part-time) must provide workers' compensation coverage for all employees. Florida law does not allow independent contractors in the construction industry; everyone is either a business owner or an employee. For a list of the industries considered to be in the construction industry under Florida law, see Rule 69L-6.021, attached to this document. If any portion of a company's operations is in a construction code on this list, the business is considered to be in the construction industry.
3. Construction industry employers hiring subcontractors must ensure that a subcontractor has workers' compensation coverage or a valid exemption. If the subcontractor has employees, the subcontractor must have a workers' compensation policy, even if the owner is exempt. If the subcontractor does not have workers' compensation coverage for its employees, those workers become the employees of the contractor. If an injury occurs, the contractor is responsible for paying the benefits for the injury and will be assessed premium for the payroll of the subcontractors.
4. Corporate officers and LLC owners may exempt themselves from workers' compensation coverage by filing for an exemption with the Division of Workers' Compensation. Corporate officers and LLC owners receiving exemptions are not entitled to workers' compensation benefits should they be hurt on the job.

Exemptions for Non-Construction Companies:

(Required to have workers' compensation coverage if they have 4 or more employees)

A. Sole Proprietorships or Partnerships

1. Sole proprietors and Partners are not considered "employees" and are automatically excluded from workers' compensation coverage by law; they do not have to file for an exemption.
2. Sole Proprietors and Partners have no workers' comp coverage and cannot be included on a workers' compensation policy unless they file form DWC 251 Election of Coverage with the state Division of Workers' Compensation ("DWC").
3. They can go back to being excluded by filing form DWC 251-R with the DWC.

B. Corporations

1. Corporate officers are considered "employees" and are included for coverage purposes unless they file for and receive an exemption with the DWC (online only – paper forms are not accepted). There is no limit to the number of corporate officers who can exempt out of workers' compensation coverage.
2. Corporation must be registered and listed as "active" with the Florida Division of Corporations (sunbiz.org). Applicant must be listed as an officer of the corporation in the Division of Corporations' records.

3. There is no charge for a non-construction exemption.
4. Non-construction exemptions issued on or after 1/1/13 expire after 2 years and must be renewed every 2 years to remain valid. Non-construction exemptions issued prior to 1/1/13 are valid until they are revoked; they do not expire.
5. Exemption can be revoked by filing form DWC 250-R with the DWC.

C. Limited Liability Companies (LLC)

1. Owners (usually called “members” or “managing members”) of non-construction LLC’s are considered “employees” and are included for coverage purposes unless they file for and receive an exemption from the DWC (online only – paper forms are not accepted).
2. The LLC must be registered and listed as “active” with the Florida Division of Corporations (sunbiz.org). Applicant must own at least 10% of the LLC to be eligible for an exemption.
3. Up to 10 LLC owners may elect to be exempt.
4. The exemption is free and must be renewed every 2 years to remain valid.
5. Exemption can be revoked by filing form DWC 250-R with the DWC.

Construction Companies:

(Required to have coverage for all employees)

A. Sole Proprietorships or Partnerships

1. Sole proprietors and partners in the construction industry are considered employees and are automatically included for workers’ compensation coverage purposes. They are not eligible to exempt out of workers’ compensation coverage. They must have workers’ comp coverage to work legally in the state of Florida.

B. Corporations

1. Corporate officers are considered “employees” and are included for coverage purposes unless they file for and receive an exemption from the DWC (online only – paper forms are not accepted).
2. Up to 3 corporate officers of a construction corporation can file for an exemption.
3. Corporation must be registered and listed as “active” with the Florida Division of Corporations (sunbiz.org). Applicant must be listed as an officer of the corporation in the Division of Corporations’ records.
4. Applicant must own at least 10% of the corporation’s stock to apply for an exemption.
5. Exemption costs \$50 and must be renewed every 2 years to remain valid. Renewal costs \$50.
6. Exemption can be revoked by filing form DWC 250-R with the DWC.

C. Limited Liability Companies (LLC)

1. Owners (usually called “members” or “managing members”) of LLC’s are considered “employees” and are included for coverage purposes unless they file for and receive an exemption from the DWC (online only – paper forms are not accepted).
2. Up to 3 LLC owners may file for an exemption with the DWC.
3. LLC must be registered and listed as “active” with Florida the Division of Corporations’ database (sunbiz.org). Applicant must be listed as a member of the LLC in the Division of Corporations’ records.
4. Applicant must own at least 10% of the LLC to be eligible for an exemption.
5. Exemption costs \$50 and must be renewed every 2 years to remain valid. Renewal costs \$50.
6. Exemption can be revoked by filing form DWC 250-R with the DWC.

All exemptions must be applied for online at the Division of Workers’ Compensation’s website:
www.myfloridacfo.com/wc. Applicants must provide a driver’s license or ID card number.