

CONTRACTORS: YOU ARE LIABLE FOR UNINSURED WORKERS ON YOUR JOB SITE – DO YOU KNOW HOW TO PROTECT YOURSELF?

If you are in the construction industry, Florida law makes you responsible for the subcontractors you hire. If you hire a sub who does not have worker's comp insurance, your insurance company will have to pay for any on-the-job injuries for the sub and any workers that sub brings onto the job site. Your insurance carrier will then bill you for the additional premium for all of those uninsured workers. Further, you can jeopardize your workers' comp insurance policy if your insurance carrier gets stuck paying for injuries to an uninsured worker hired by one of your subs.

First, some basics:

Everyone on a construction job site in Florida has to be either (1) covered by a worker's comp policy or (2) an officer of a company who has received a valid exemption from workers' comp from the State of Florida. This includes people who are just brought onto the job site for a short time "just to help out."

If your company has a workers' comp policy and you sub out work to someone with an exemption from workers' comp, you need to be extra careful. If that exempt sub brings even one helper onto your job site (it could be his brother-in-law, his regular assistance, or a total stranger), that helper becomes **your** responsibility just by stepping onto the job site, even if you had no idea the sub had a helper. You will have to pay the additional premium on all wages that helper is paid by your sub for the job, and your insurance company will be on the hook if that helper gets injured on the job site. Exempt subs can bring you a lot of trouble!

Even if you only use subcontractors who have their own workers' comp insurance policies, there are still some things to watch out for. You cannot assume that a Certificate of Insurance from a sub showing that he has a workers' comp policy is always valid. His insurance may get cancelled if he doesn't pay his monthly premiums or for some other reason. If this happens while he is still working for you, guess who is liable for any injuries to his employees and has to pay workers' comp premium for that subcontractor? You.

So, what can you do to protect yourself?

- If you hire a subcontractor who has a workers' comp insurance policy:
- The first step is to get a Certificate of Insurance that shows a workers' comp policy number and the carrier who issued it.
- Then, you should re-check that the insurance policy is still valid at least every month. You can call the insurance company listed on the Certificate, or the insurance agent for your sub, and request proof that the policy is valid.
- Or, you can check yourself by using the State of Florida's workers' comp database. To make this process easier, the state has a Construction Policy Tracking Database that lets you enter in all your subs, and the system will alert you if one of your subs' insurance is cancelled or lapses so that you can immediately stop using that sub. This database can be found at www.fldfs.com/wc. Click on "Databases" on the left-hand side of the screen. Or, visit our website at www.fuba.org for a link directly to the database.
- If you hire a sub with a valid exemption from workers' comp (and you're sure he has no employees or helpers of any kind!):
- You should first ask for a copy of the sub's exemption.
- You can then verify this exemption by using the State's Proof of Coverage Database. This database will show you when the exemption was issued and when it expires, so you will know then you should check again. For this database, go to www.fldfs.com/wc and click on "Databases" on the left side of the screen. Or, visit our website at www.fuba.org for a direct link to this database.
- If you don't have access to a computer, you can call the Florida Division of Workers' Comp at 850-488-2333 to check exemptions.

If you have any questions about subcontractors, exemptions, or workers' comp in general, please call our offices and ask for Greg Roe.