

Florida Corporate Officer Exemptions and Carrier Deviations

Background

This circular is intended to provide clarification on corporate officer exemptions and carrier deviations from NCCI filings of rules and other supplementary information in Florida.

In accordance with Section 440.05, Florida Statutes and Florida Administrative Code 69L-6.012, corporate officers may elect to be exempt from the provisions of Florida's workers compensation law (Chapter 440, F.S.).

In addition, Rule 2-A of NCCI's *Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)* addresses the premium basis for workers compensation insurance coverage. Florida's State Rule Exception for Rule 2-A states the following regarding the payroll for corporate officers who elect to be exempt from the provisions of Chapter 440, F.S.:

Premium must be calculated on the basis of the total payroll paid or payable by the insured for services of employees covered by the policy.

Note: Payroll for officers of a corporation who elect to be exempt from workers compensation insurance must not be included in the premium calculation. Valid notices of election to be exempt from the Division of Workers' Compensation must be furnished to the carrier. Payroll shall not be included for the period of time during the policy that each exemption is in effect.

As noted in NCCI's *Basic Manual* Rule 2-A for Florida, payroll for an officer of a corporation who elects exemption from Chapter 440, F.S. shall not be included in the premium calculation while that exemption is in effect. In accordance with Section 627.211, Florida Statutes, carriers who are members or subscribers to a rating organization (*i.e.*, NCCI) must "...adhere to the filings made on its behalf by such organization [NCCI]..." Carriers may deviate from NCCI's filings with prior approval from the Office of Insurance Regulation in accordance with Section 627.211, Florida Statutes and Sections .004 and .016 of Chapter 69O-189 of the Florida Administrative Code. Additional information regarding carrier deviations is available in NCCI's *Filing Guide for Rates and Forms*.

Contact

If you have any questions concerning information in this circular, please contact NCCI's Customer Service Center at 800-NCCI-123 (800-622-4123), Monday–Friday, 8:00 a.m.–8:00 p.m. ET, or email us at customer_service@ncci.com.