



# Florida Workers Compensation Joint Underwriting Association, Inc.

P.O. Box 48957, Sarasota, FL 34230-5957

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VIA E-MAIL

## FWCJUA RATES & FORMS COMMITTEE BULLETIN 07-06

**TO:** Florida Workers' Compensation Joint Underwriting Association, Inc. Rates & Forms Committee  
**FROM:** Laura S. Torrence, Executive Director  
**DATE:** May 23, 2007  
**RE:** **MAY 29, 2007 RATES & FORMS COMMITTEE TELECONFERENCE MEETING**

Enclosed for your review is the agenda for the FWCJUA Rates & Forms Committee teleconference meeting scheduled for Tuesday, May 29, 2007 at 10:00 a.m. (Eastern Time). An operator will dial out to the following parties:

Ray Neff	941-388-0611
Pat Cannassa	407-919-3185
Elissa Pacheco	800-866-1234, ext 2114
Jim Watford	850-413-5368
Tom Maida	850-513-3377

All other parties please contact Kathy Coyne at (941) 378-7408, to participate in the teleconference. Should you have any questions concerning the teleconference call, or the agenda, please do not hesitate to contact me.

c: FWCJUA Board of Governors  
Tom Maida, *General Counsel*  
Jim Watford, *Florida Office of Insurance Regulation*  
FWCJUA Interested Parties

**BOARD OF GOVERNORS:** Ray Neff, *Chair*; Patrick Cannassa; Dan Dannenhauer;  
Rick Hodges; Craig Johnson; Bob Milligan; Elissa Pacheco; Claude Revels; Beth Vecchioli

**AGENDA FOR THE MEETING OF THE RATES & FORMS COMMITTEE OF THE  
FLORIDA WORKERS' COMPENSATION JOINT UNDERWRITING ASSOCIATION, INC.  
TO BE HELD ON TUESDAY, MAY 29, 2007 AT 10:00 A.M. VIA TELECONFERENCE**

- |              |   |                |
|--------------|---|----------------|
| <b>I.</b>    | CALL TO ORDER AND OPENING REMARKS   | Ray Neff       |
| <b>II.</b>   | ANTI-TRUST PREAMBLE (Attachment A)  | Tom Maida      |
| <b>III.</b>  | APPROVAL OF MINUTES (Attachment B)  | Ray Neff       |
| <b>IV.</b>   | REVIEW OF RATES, RATING PLANS AND POLICY FORMS AND ASSOCIATED MATTERS TO INCLUDE APPLICATION FORMS <ul style="list-style-type: none"><li>• Policy Information Page &amp; Extension of Information Page – Schedules (Attachment C)</li><li>• Revisions to Supplemental Application Forms with Florida Notary Requirement (Attachment D)</li><li>• Revisions to Forms to Implement Senate Bill 1894 (Attachment E)</li><li>• Acknowledgement of FWCJUA Payment Options (Attachment F)</li></ul> | Laura Torrence |
| <b>V.</b>    | FORMS ASSOCIATED WITH AGENCY AUTHORIZATION PROCESS (Attachment G)   | Laura Torrence |
| <b>VI.</b>   | OPERATIONS MANUAL REVISIONS (Attachment H)  | Laura Torrence |
| <b>VII.</b>  | ACTUARIAL STUDY OF LOSS RESERVES AS OF 6/30/2007 (Attachment I)   | Laura Torrence |
| <b>VIII.</b> | PROGRAM TO ELIMINATE THE SUBPLAN D DEFICIT AS OF 12/31/2006 (Attachment J)  | Laura Torrence |
| <b>IX.</b>   | RETURN OF PREMIUM DIVIDEND (Attachment K)   | Laura Torrence |
| <b>X.</b>    | GENERAL ANNOUNCEMENTS   |                |
| <b>IX.</b>   | ADJOURNMENT AND CLOSING REMARKS   | Ray Neff       |

**ANTI-TRUST PREAMBLE**

We are here to discuss and act on matters relating to the business of the Florida Workers' Compensation Joint Underwriting Association (FWCJUA) and not to discuss or pursue the business interests of our individual funds or companies.

We should proceed with caution and alertness towards the requirements and prohibitions of federal and state anti-trust laws.

We should not engage in discussions – either at this meeting or in private conversations – of our individual fund's or companies' plans or contemplated activities. We should concern ourselves only with the business of the Florida Workers' Compensation Joint Underwriting Association as set forth in the agenda for this meeting.

Only FWCJUA market matters may be discussed at the meeting and each fund's or company's voluntary market plans cannot be discussed.

APPROVAL OF MINUTES

Attached for the Committee's review and approval are the minutes from the Rates & Forms Committee meeting held March 9, 2007.

**DRAFT - MINUTES OF THE TELECONFERENCE MEETING OF THE FLORIDA WORKERS' COMPENSATION JOINT UNDERWRITING ASSOCIATION, INC. RATES & FORMS COMMITTEE HELD ON MARCH 9, 2007 AT 3:00 P.M.**

**PRESIDING:** Ray Neff, *Chair*

**COMMITTEE MEMBERS:** Maxine Hutchinson  
Pat Cannassa, *not present*

**BOARD MEMBERS PRESENT:** Bob Milligan

**EXECUTIVE DIRECTOR:** Laura Torrence

**GENERAL COUNSEL:** Tom Maida

**OFFICE OF INSURANCE REGULATION LIAISON:** Jim Watford

**STAFF PRESENT:** Michael Cleary  
Laura Lopez

**SERVICE PROVIDERS PRESENT:** Jeffery Deaton, *Benfield Group*  
Mark Mulvaney, *Milliman*  
Andy Gray, *Thomas Howell Ferguson*  
Arleen Desmond, *Travelers*  
Jonathan Scharnberg, *Travelers*  
Claudia Vicory, *Travelers*

**OTHERS PRESENT:** Bob King, *Guy Carpenter*  
Erin Treacy, *Colodny, Fass, Talenfeld, Karlinsky, Abate*

**I. CALL TO ORDER AND OPENING REMARKS:** The Chair called the meeting to order at 3:00 p.m. The roll was called and a quorum being established the meeting began.

**II. ANTITRUST PREAMBLE:** Prior to the consideration of any business, the Antitrust Preamble was read by Maida, a copy of which is attached hereto as Exhibit "A".

**III. APPROVAL OF MINUTES:** The minutes from the Rates & Forms Committee meeting held February 16, 2007, were submitted for approval.

MOTION by Hutchinson, seconded by Neff to approve the minutes as presented. PASSED.

**IV. RETURN OF PREMIUM DIVIDEND:** Given the significant reserve release and the actual accident year 2006 results, Torrence reported that the Committee had agreed to consider a return of premium dividend.

Torrence reported that the FWCJUA had considered a return of premium dividend at year-end 2005 and at that time, the FWCJUA's actual surplus was \$11,854,434, which was only 2.8% of its \$418 million gross premium. The main consideration, at that time, was what a reasonable surplus should be after paying a dividend. It was noted that regardless of the amount of a declared dividend, it would be coupled with a federal tax recovery. For example, a \$6 million dividend declaration would be coupled with an approximate

\$2.1 million maximum possible federal tax recovery (calculated at roughly 35% of the dividend declaration), leaving the surplus at \$7.9 million. While it was noted that the results of some years were favorable, the results of other years were relatively flat and other years' results were too immature to be considered. Concern was also expressed that the early years presented the problem of finding the policyholders and thus, it would be beneficial if the current escheat laws could be modified to ensure that the monies due the policyholders the FWCJUA could not locate would inure to the benefit of the other FWCJUA policyholders. The Board concluded after much deliberation that given the minimum amount of surplus at that time, declaring a dividend would not be consistent with the need to have sufficient funds to pay any unexpected losses.

She noted that as we again consider a possible return of premium dividend, there remain a number of methods that could be used to develop the allocation of a dividend and outlined some of the most common. She explained that a return of premium dividend can be calculated either separately for each accident year or for a group of accident years.

1. Policyholders positive account balance as a percentage of total positive account balances times the dividend to be paid for the year. The account balance is a policyholder's premium less losses and expenses. This method directly benefits those who had good experience.
2. Policyholder premium to total premium limited to policyholders with loss ratios less than a specific loss ratio times the dividend to be paid for the year. This method indirectly benefits those who had good experience.
3. Policyholder premium to total premium times the dividend to be paid. This method benefits policyholders based on their premium and not their experience.
4. A combination of 1 and 3. This provides some return to everyone who participates while also providing more return to larger accounts with good experience.
5. To receive a dividend you would have to be a current policyholder.

Other considerations include:

1. Whether to exclude any policyholder who has a loss ratio above a specific level.
2. Netting any potential dividend against amounts due or unpaid.
3. Additional charge for those who were participants for less than a 12 month period.
4. Formal process for perfecting rights to the dividends when the company is no longer in existence.
5. Whether the FWCJUA can be excluded from the escheat rules by requiring a policyholder to complete a claim for policyholder dividend within a 12 month period.

Torrence then mentioned that last year, the Rates & Forms Committee preferred the combination of actual experience, either on an account balance approach or on a loss ratio approach with more weight being given to individual experience. Accordingly, it recommended that if a dividend was declared, it be paid to policyholders based on a combination of individual loss experience and a proportion of premiums paid. It was also noted by the FWCJUA's auditor that this recommended approach was a fairly common approach.

With regard to the timing of the required payment of a declared dividend following the establishment of such a liability, Torrence reported that normally payment occurs by the end of the next tax year, but that it is not a hard and fast rule. Once a dividend is declared and a determination is made how payments will be distributed, the FWCJUA would need to seek OIR approval. She indicated that it was previously noted by our auditor that he has seen a company take a deduction 3 years prior to actually distributing payments because it took the OIR that long to agree to the allocation of the dividend. Thus, the FWCJUA is permitted by code to deduct the dividend when it is declared, even though the dividend may not be paid in the year declared.

She then referred the Committee to the estimated profit and loss statement by policy year and by subplan and tier as well as the statutory financial statements by subplan and tier attached and reported that at this time, the FWCJUA's statutory surplus as of 12/31/2006 is \$48,794,092 (10.4% of its \$470,459,429 gross earned premium) while its actual surplus as of 12/31/2006 is \$50,982,003 (10.7% of its \$470,459,429 gross earned premium). She further reported that section 627.311(5), Florida Statutes, provides the following:

627.311(5)(d)4. The plan may offer rating, dividend plans, and other plans to encourage loss prevention programs.

627.311(5)(h) Any premium or assessments collected by the plan in excess of the amount necessary to fund projected ultimate incurred losses and expenses of the plan and not paid to insureds of the plan in conjunction with loss prevention or dividend programs shall be retained by the plan for future use.

Torrence then mentioned that it was suggested that the Committee consider identifying a reasonable philosophy for declaring dividends while retaining an appropriate surplus for future use. A possible approach might be to retain investment income for future use and to return a portion of the individual subplans and tiers underwriting income for the more mature years. She indicated that monies retained for future use would reasonably ensure that there would be sufficient funds to pay any unexpected losses and could provide the FWCJUA with options related to reinsurance attachment points, contingency and surplus factors utilized in rate making, etc. Ultimately, by establishing a reasonable methodology for declaring dividends while retaining an appropriate surplus for future use, the FWCJUA better positions itself to more readily declare appropriate dividends.

Lopez then walked the Committee through the exhibits, specifically, the financial information and pointed out that she had rolled the 1994 to 1999 years together because those years were under one reinsurance contract and further noted that the highlighted area on the exhibit reflects the FWCJUA's underwriting gains and losses by year, as that was the focus the last time the Board considered a premium dividend. She then reported that in 2003 and 2004, the FWCJUA had several different rating plans, which is reflected in the second exhibit and noted that the bottom of the exhibit shows how many policies written by year, how many claims reported by year, and how many claims reported are still open, which should give the Committee a better understanding of the activity within those years. Mulvaney suggested that the Committee consider limiting the amount of dividends to current policyholders, in so far as the FWCJUA has high policy turnover. He explained that the FWCJUA may have relatively few policyholders in any given subplan or tier that are still with the FWCJUA, which means certain policyholders may receive extraordinary large dividends in relation to the premiums paid. Thus, when the FWCJUA examines policy counts by year, it should consider the number of policyholders still with the FWCJUA.

Discussion ensued and it was suggested that the Committee move the dividend issue to the Board for consideration.

MOTION by Hutchinson, seconded by Neff, to recommend to the Board that if a dividend is declared, it be paid to policyholders based on a combination of individual loss experience and a proportion of premiums paid. PASSED.

**V. RATES:** Torrence then reported that the Rates & Forms Committee had also agreed to consider a premium level change given the significant reserve release and the actual accident year 2006 results. She referred to the attached exhibits prepared by Milliman to help the Committee determine if a premium level change should be recommended to the Board for consideration. She explained that Mulvaney is prepared to review the attached indication but commented that as the Committee considers Milliman's indication, it should note that pursuant to the Board's direction in September 2006, the FWCJUA filed revised rates effective January 1, 2007 to reflect the impact of the approved voluntary market rate decrease effective January 1, 2007 and to effectuate an overall average premium level change of -5.6% in Tier 1, +18.5% in Tier 2 and -21.4% in Tier 3.

Mulvaney began his presentation with Exhibit A, Sheet I, and explained to the Committee that it shows an indication, as if there was no previous calculation. He indicated that his approach was to calculate a substitute indication as of 1/1/07, reflecting the new numbers to be able to compare the changes from the previous indication. He stated that the top block on Exhibit A, Sheet I is labeled 5% Contingency, which means he used a contingency factor of 5%. He explained that column (2) reflects the 1/1/06 surcharges and column (5) shows what the NCCI rates would produce effective 1/1/07. He then referred to column (6) and explained that this column shows the original 1/1/07 premium changes which are already in effect and column (7) shows the revised premium changes, which is comparable to column (6). He indicated that the three rate changes in column (6) average a 3.5% reduction compared to -12% in column (7), using the new actuarial estimates. Column (8) shows the additional change from the original 1/1/07 indication. He then referred to the bottom block and explained that it shows a new proposed maximum minimum premium of \$2,800 instead of the current maximum minimum of \$2,900. Column (10) reflects the surcharges that will produce the premium change and if implemented, would generate an additional 12% reduction from 1/1/06, which is an 8.6% reduction from the current 1/1/07 rate indication.

He proceeded to Exhibit A, Sheet II and explained that he had recalculated the indication using the same numbers but with a change in the contingency factor of 0%. He explained that column (7) now shows the revised target as if the 1/1/07 rate change had not happened and column (8) reflects the additional premium change. He pointed out that the maximum minimum premium dropped a bit because the overall change dropped, but column (10) shows a potential problem with the indicated surcharge for Tier 1, which is inconsistent with the idea that the FWCJUA is a residual market. He referred to Exhibit 1, Sheet III, and stated that as a result, this exhibit proposes a minimum surcharge amount on the indication for Tier 1 of 10% and when that benefit is spread uniformly to Tiers 2 and 3, the overall percentage change in the top of the exhibit is the same but the surcharge for Tier 1 is no longer -1% and the surcharge for Tier 2 dropped by 1% and the surcharge for Tier 3 stayed the same, due to rounding, which seems more reasonable. He then reported that one of the difficulties he had with the three tiers was when he split them up. The indications within each tier are fairly volatile and in particular, Tier 1 has the smallest volume, but is the most volatile. However, as a residual market, the FWCJUA will continue to attract a lower quality risk, so some limitation on the surcharge, like 10% is reasonable in accordance with actuarial principles.

Mulvaney then referred the Committee to Exhibit B, Sheet 1 and explained that this exhibit shows the calculation of the maximum minimum premium and the minimum premium multiplier with a 5% contingency factor. He mentioned that the current minimum premium multiplier used for the original 1/1/07 indication was 178 and recommends that it be increased to 188 because the state average annual wage has been updated. He explained that it has been his practice to update the multiplier annually in accordance with the movement of the average annual wage. He then pointed out that the bottom of the exhibit uses the same formula adopted last time and reflects a resulting maximum minimum premium of \$2,800 for all three tiers. He referred to Exhibit B, Sheet 2 and stated that the exhibit is identical in layout, but shows what the maximum minimum premium would be without a contingency factor.

Mulvaney then referred to Exhibit II, Sheet 1 and explained that the exhibit shows the real critical assumption, which is the reasonable projected loss ratio at current rate incorporating the revised reserve estimates. He indicated that column (3) looks at the on-level projected loss and ALAE ratio and explained that he took the losses from the reserve report and adjusted them to the current reinsurance structure and adjusted to the latest benefit level and then, trended them out to the mid point of the ratio. He explained that column (5) shows how good or bad the loss experience is for each tier compared to the average. He then referred to Exhibit II, Sheet 2 and explained that it shows the current premium level on the top half of the exhibit and the selected loss ratios along with the premium levels on the bottom half of the exhibit. He pointed out that the 1998 to 2002 years have exceedingly low premium volumes and therefore, he was unable to get much information out of those years. He explained that a 40% loss ratio was picked to represent the more recent years. He finally referred to Appendix G, Sheet 1, and explained that this exhibit reflects a change in assumption from the previous assumption made within the current 1/1/07 rate indication which deals with the projected uncollectible percent. He advised the Committee that the current in-force rates reflect a collectible assumption of 85% and we must assume that that amount will drop due to what the development method was suggesting the number should be for 2003, 2004 and 2005. Therefore, he raised the uncollectible percentage to 18.5%, which is a change in the original assumption. He then pointed out that reducing the percentage collectible has the affect of increasing the rate, so he is being a bit more conservative.

Discussion then ensued regarding the contingency factor, recognizing the FWCJUA's surplus position and at what time to effectuate the rate adjustment. Watford asked if the FWCJUA would amend the 1/1/07 filing and Neff responded that the FWCJUA may not amend the current filing, but file a subsequent filing that would propose to be effective a certain date, which collectively the Committee or the Board will figure out. Watford then expressed that if everything goes down and no policyholder gets an increase, he would be happy with that. Mulvaney indicated that the minimum premium multiplier went from 178 to 188 and therefore, some minimum premium policies could possibly see an increase, but we would not have to change the minimum premium multiplier to prevent a policyholder from getting an increase. Torrence suggested that if it is the will of the Committee or the Board not to impact minimum premium policyholders, we will not apply the new state average annual wage.

MOTION by Neff, seconded by Hutchinson, to recommend that the Board give serious consideration to a premium level decrease. In considering the amount of the premium level decrease, the Committee further suggests that the Board determine the continued need for the 5% contingency factor utilized in the 1/1/2007 rate filing, as possibly a lower contingency might be advisable recognizing our current surplus position. If a premium level change is deemed advisable by the Board, the Committee further suggests that consideration

be given to whether the adjustment be implemented retroactive to January 1, 2007 or some date in the future that staff could reasonably handle. PASSED.

**VI. 2007 LOSS RATIO SELECTION:** Torrence reported that the Rates & Forms Committee shall confirm staff's booking of the 2007 losses utilizing the loss ratios that were booked by rating tier as of 12/31/2006, which is the FWCJUA's standard procedure. She explained that the table on Attachment E identifies the loss ratios that were booked by rating tier as of 12/31/2006. Given there appears to be no compelling reasons to change our philosophy on the booking the current year's losses, no change in the FWCJUA's standard procedure related to booking the current year's losses is recommended.

MOTION by Hutchinson, seconded by Neff to confirm staff's booking of the 2007 losses utilizing the loss ratios that were booked by rating tier as of 12/31/2006. PASSED.

**VII. GENERAL ANNOUNCEMENTS:** There were no general announcements.

**VIII. ADJOURNMENT AND CLOSING REMARKS:** There being no further business, the meeting was adjourned at 4:04 p.m. on March 9, 2007.

Respectfully submitted,

Ray Neff, *Chair*



**REVIEW OF RATES, RATING PLANS AND POLICY FORMS AND  
ASSOCIATED MATTERS TO INCLUDE APPLICATION FORMS**

**Policy Information Page & Extension of Information Page – Schedules**

The Rates & Forms Committee shall consider recommending that the Board authorize staff to file the FWCJUA's Policy Information Page (commonly referred to as the "Declarations" Page), and the Extension of Information Page – Schedules with OIR, pursuant to OIR's direction, as soon as practicable.

Recently, OIR discovered it has no record of issuing prior approval to the FWCJUA for the use of the Policy Information Page and Extension of Information Page – Schedules being used by Travelers on behalf of the FWCJUA. Therefore, OIR has requested that the FWCJUA file for approval as soon as possible the form components of the FWCJUA's Information Page and Extension of Information Page – Schedules, in accordance with section 627.410, Florida Statutes.

Attached for the Committee's perusal are the current form components of the FWCJUA's Information Page and Extension of Information Page – Schedules.

**The Rates & Forms Committee shall determine whether to recommend that the Board authorize staff to file the FWCJUA's current Policy Information Page and Extension of Information Page – Schedules with OIR as soon as practicable.**



FLORIDA WORKERS' COMPENSATION  
JOINT UNDERWRITING ASSOCIATION, INC.

WORKERS COMPENSATION  
AND  
EMPLOYERS LIABILITY POLICY

TYPE **AR**

INFORMATION PAGE WC 00 00 01 ( A)

POLICY NUMBER:

INSURER: **FLORIDA W.C. JUA**

NCCI CO CODE:

1.

INSURED:

PRODUCER:

MAILING ADDRESS:

INSURED IS A

OTHER WORK PLACES AND IDENTIFICATION NUMBERS ARE SHOWN IN THE SCHEDULE(S)  
ATTACHED.

2. THE POLICY PERIOD IS FROM TO AT THE INSURED'S MAILING ADDRESS.

3. A. WORKERS COMPENSATION INSURANCE: PART ONE OF THE POLICY APPLIES TO THE  
WORKERS COMPENSATION LAW OF THE STATE(S) LISTED HERE:

B. EMPLOYERS LIABILITY INSURANCE: PART TWO OF THE POLICY APPLIES TO WORK IN  
EACH STATE LISTED IN ITEM 3.A. THE LIMITS OF OUR LIABILITY UNDER PART TWO  
ARE:

BODILY INJURY BY ACCIDENT: \$	EACH ACCIDENT
BODILY INJURY BY DISEASE: \$	POLICY LIMIT
BODILY INJURY BY DISEASE: \$	EACH EMPLOYEE

C. OTHER STATES INSURANCE: PART THREE OF THE POLICY APPLIES TO THE STATES, IF  
ANY, LISTED HERE:

D. THIS POLICY INCLUDES THESE ENDORSEMENTS AND SCHEDULES:

4. THE PREMIUM FOR THIS POLICY WILL BE DETERMINED BY OUR MANUAL OF RULES,  
CLASSIFICATIONS, RATES AND RATING PLANS. ALL REQUIRED INFORMATION IS SUBJECT  
TO VERIFICATION AND CHANGE BY AUDIT.

DATE OF ISSUE:  
OFFICE:  
PRODUCER:

ST ASSIGN:



WORKERS COMPENSATION  
AND  
EMPLOYERS LIABILITY POLICY

TYPE **AR**

INFORMATION PAGE WC 00 00 01 ( A)

POLICY NUMBER:

CLASSIFICATION SCHEDULE:

CLASSIFICATIONS	CODE NO	PREMIUM BASIS	RATES PER	ETIMATED
		TOTAL ESTIMATED ANNUAL REMUNERATION	\$100 OF REMUNERATION	ANNUAL PREMIUM

**SEE EXTENSION OF INFORMATION PAGE - SCHEDULES**

SIC CODE:

PLEASE SEE CLASSIFICATION OF OPERATIONS SCHEDULE ATTACHED

STANDARD

TOTAL ESTIMATED ANNUAL PREMIUM \$  
 PREMIUM DISCOUNT  
 EXPENSE CONSTANT  
 FOREIGN TERRORISM/TRIA  
 TOTAL ESTIMATED PREMIUM  
 DEPOSIT AMOUNT DUE

A/R (FWCJUA) #

MINIMUM PREMIUM: \$

ST ASSIGN: **FL**

DATE OF ISSUE:  
OFFICE:  
PRODUCER:



WORKERS COMPENSATION  
AND  
EMPLOYERS LIABILITY POLICY

EXTENSION OF INFO PAGE – SCHEDULE WC 00 00 01 ( A)

POLICY NUMBER:

INSURER: **FLORIDA W.C. JUA**

80179 - FL

INSURED'S NAME:

CLASSIFICATION	CODE	PREMIUM BASIS ESTIMATED TOTAL ANNUAL REMUNERATION	RATES PER \$100 OF REMUNERATION	ESTIMATED ANNUAL PREMIUM
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DATE OF ISSUE:

ST ASSIGN:

SCHEDULE NO: OF



WORKERS COMPENSATION  
AND  
EMPLOYERS LIABILITY POLICY  
ENDORSEMENT WC 00 00 01 ( A)

POLICY NUMBER:

LISTING OF ENDORSEMENTS  
EXTENSION OF INFO PAGE

We agree that the following listed endorsements form a part of this policy on its effective date.

DATE OF ISSUE:

ST ASSIGN:

Page of

**REVIEW OF RATES, RATING PLANS AND POLICY FORMS AND  
ASSOCIATED MATTERS TO INCLUDE APPLICATION FORMS**

**Revisions to Supplemental Application Forms with Florida Notary Requirement**

The Rates & Forms Committee shall consider whether to recommend to the Board that specified FWCJUA supplemental application forms be amended to remove the indicator that the notary to witness and authenticate an employer's authorized signer's signature should be a Florida state notary.

In practice, the FWCJUA already permits the following forms to be notarized by notaries that are not Florida notaries. Thus, the form amendments being considered are strictly "housekeeping" in nature and will reflect the current practice of the FWCJUA.

1. Employment & Wage Release Agreement
2. Applicant's Affidavit
3. Applicant's Affidavit As To Employee Leasing
4. Employee Leasing – Consent to the Release of Client Initiation or Termination Information
5. Acknowledgement by Labor Contractor of Terms and Client of Terms and Conditions of the MCP
6. Acknowledgement by Client of the Terms and Conditions of Continued Coverage under the MCP
7. Contractor's Supplemental Application
8. Acknowledgement by Employer of Terms and Conditions of an "If Any" Policy
9. Employer's Affidavit
10. Payroll Service With Premium Withholding Agreement

In addition, staff has asked NCCI to consider similarly amending its Safety Program Premium Credit form to eliminate the requirement that the notary be a Florida notary. NCCI has indicated that it will proceed with amending its form to permit the notary to be other than a Florida notary. Again, in practice, this is already permissible.

Attached are the recommended form amendments for the Committee's perusal. If the proposed form revisions are adopted, they will be formatted for insertion in the Operations Manual and filed with OIR for approval.

**The Rates & Forms Committee shall determine whether to recommend that the Board adopt the changes to the attached supplemental application forms to reflect the current practice of the FWCJUA to permit notaries, other than Florida notaries, to notarize an employer's authorized signer's signature with such form amendments becoming effective as soon as practicable.**

FLORIDA WORKERS' COMPENSATION JOINT UNDERWRITING ASSOCIATION, INC.

EMPLOYMENT AND WAGE INFORMATION RELEASE AGREEMENT (FWCJUA 04 03)

This document supplements your ACORD 130 FL Application and the Addendum (ACORD 133 FL). Its content is considered a part of, and is incorporated by reference into, any workers' compensation and employer's liability insurance policy issued by the FWCJUA. The FWCJUA will issue your insurance policy through a service provider, if you are determined to be eligible for coverage.

The FWCJUA requires you to release certain employment and wage information maintained by the State of Florida pursuant to federal and state unemployment compensation laws except to the extent prohibited or limited under federal law. By entering into this policy, you consent to the release of the information to the FWCJUA and its authorized service providers.

We will safeguard the information and maintain its confidentiality. We will limit use of the information to verifying compliance with the terms of the policy.

I HEREBY CERTIFY THAT I HAVE READ AND FULLY UNDERSTAND THE PRECEDING STATEMENTS, AND CONSENT TO THE RELEASE OF THE INFORMATION MAINTAINED BY THE STATE OF FLORIDA PURSUANT TO FEDERAL AND STATE UNEMPLOYMENT COMPENSATION LAWS (THE "INFORMATION") TO THE FWCJUA AND ITS AUTHORIZED SERVICE PROVIDERS, EXCEPT TO THE EXTENT PROHIBITED OR LIMITED UNDER FEDERAL LAW. I UNDERSTAND AND AGREE THAT THIS CONSENT TO THE RELEASE OF THE INFORMATION SHALL APPLY TO ALL INFORMATION PREVIOUSLY RECEIVED BY THE STATE OF FLORIDA FOR ANY TAX/WAGE REPORTING PERIOD BEGINNING WITHIN ONE YEAR PRECEDING THE DATE OF THIS AGREEMENT, AS WELL AS TO ALL INFORMATION WHICH IS RECEIVED IN THE FUTURE BY THE STATE OF FLORIDA FOR ANY TAX/WAGE REPORTING PERIOD WHICH COINCIDES WITH THE PERIOD OF THE POLICY OR ANY RENEWAL THEREOF. THE FWCJUA AND ITS AUTHORIZED SERVICE PROVIDERS SHALL HAVE ACCESS TO THE INFORMATION BEGINNING ON THE DATE OF THIS AGREEMENT AND ENDING THREE YEARS AFTER EXPIRATION OF THE POLICY OR ANY RENEWAL THEREOF.

\_\_\_\_\_  
Applicant's /Employer's Name (Print)

\_\_\_\_\_  
Applicant's / Employer's Signature  
(Must be an owner, partner or officer)

\_\_\_\_\_  
Applicant's Federal Employer  
Identification Number (FEIN)

\_\_\_\_\_  
Print Name & Title of Representative Signing  
Above on Behalf of Applicant /Employer

\_\_\_\_\_  
Applicant's Unemployment Compensation  
Account Number

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

Sworn to (or affirmed) and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ . He/She is personally known to me or has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed Name  
My Commission Expires:

**FLORIDA WORKERS' COMPENSATION JOINT UNDERWRITING ASSOCIATION, INC.**

**APPLICANT'S AFFIDAVIT**

This document supplements your ACORD 130 FL Application and the Addendum (ACORD 133 FL). Its content is considered a part of, and is incorporated by reference into, any workers' compensation and employers' liability insurance policy issued by the FWCJUA. The FWCJUA will issue your insurance policy through a Service Provider, if you are determined to be eligible for coverage.

It is the Producer's and his or her affiliated Insurance Agency's (the "Agency") duty and responsibility to assist you in obtaining coverage to meet your obligations under the Florida Workers' Compensation Law, preferably by securing coverage from an insurance company in the voluntary market. If you are unable to obtain such coverage, the Producer and his or her affiliated Agency then has the responsibility to assist you in obtaining coverage with the FWCJUA in a prompt and efficient manner and in explaining to you the necessity for securing coverage with the FWCJUA. The Producer and his or her affiliated Agency is to assist you in completing thoroughly and accurately an application, Addendum, and any other documents that may be required. It is also the Producer's and his or her affiliated Agency's duty and responsibility to explain to you, at the time of application, that if you are determined to be eligible and in good faith entitled to FWCJUA coverage, the premium will be calculated using any applicable FWCJUA surcharges or fees and that a FWCJUA policy has the potential of being an assessable policy.

Neither the Producer nor his or her affiliated Agency is an agent of the FWCJUA or any Service Provider, and has no authority, actual, apparent or implied, to bind either. The Producer and his or her affiliated Agency are not authorized to enlarge, modify, or interpret the questions asked or information provided in the application.

**I HEREBY CERTIFY THAT I HAVE READ AND FULLY UNDERSTAND THE PRECEDING STATEMENTS, AND I ACKNOWLEDGE MY UNDERSTANDING THAT NEITHER THE PRODUCER NOR HIS OR HER AFFILIATED AGENCY IS NOT AN AGENT OF THE FWCJUA OR ANY SERVICE PROVIDER AND THAT THE PRODUCER AND HIS OR HER AFFILIATED AGENCY HAS NO AUTHORITY TO REPRESENT EITHER THE FWCJUA OR ANY SERVICE PROVIDER.**

\_\_\_\_\_  
Applicant's/Employer's Name (Print)

\_\_\_\_\_  
Applicant's/Employer's Signature  
(must be an owner, partner or officer)

\_\_\_\_\_  
Print Name & Title of Representative Signing  
Above on Behalf of Applicant/Employer

State of Florida County of \_\_\_\_\_ Sworn to (or affirmed) and subscribed before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_

\_\_\_\_\_  
Notary (Signature of Notary Public)

Personally known \_\_\_\_\_  
Or produced identification \_\_\_\_\_  
Type of Identification Produced: \_\_\_\_\_

\_\_\_\_\_  
Notary (Print, typed or stamped  
commissioned name of notary public)



**FLORIDA WORKERS' COMPENSATION JOINT UNDERWRITING ASSOCIATION, INC.**

**APPLICANT'S AFFIDAVIT AS TO EMPLOYEE LEASING**

This document supplements your ACORD 130 FL Application and Addendum (ACORD 133 FL). Its content is considered a part of, and is incorporated by reference into, any workers' compensation and employer's liability insurance policy issued by the FWCJUA.

You may have informed the FWCJUA that you do not currently lease any employees from an employee leasing company or through any employee leasing arrangement. While your FWCJUA insurance coverage is in effect, you are obligated to notify the FWCJUA within three (3) business days after you lease employees from an employee leasing company or otherwise enter into an employee leasing arrangement. You will be responsible for completely and accurately reporting to the FWCJUA the names, social security numbers and relevant job duties and payroll information regarding the leased employees.

Regardless of whether an employee leasing company provides workers' compensation and employer's liability insurance for the employees you lease, the FWCJUA will include the leased employees' payroll in determining your premium. You will be obligated to pay the FWCJUA any additional premium which may be due as a result of the inclusion of the leased employees' payroll in the determination of your premium.

**I HEREBY CERTIFY THAT I HAVE READ AND FULLY UNDERSTAND THE PRECEDING STATEMENTS, AND I ACKNOWLEDGE THAT I AM OBLIGATED TO COMPLY WITH THEIR TERMS.**

\_\_\_\_\_  
Applicant's/Employer's Name (Print)

\_\_\_\_\_  
Applicant's/Employer's Signature  
(must be an owner, partner or officer)

\_\_\_\_\_  
Print Name & Title of Representative Signing  
Above on Behalf of Applicant/Employer

State of Florida, County of \_\_\_\_\_, Sworn to (or affirmed) and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_.

\_\_\_\_\_  
Notary (Signature of Notary Public)

Personally known \_\_\_\_\_

Or produced identification \_\_\_\_\_

Type of Identification Produced: \_\_\_\_\_

\_\_\_\_\_  
Notary (Print, typed or stamped commissioned  
Name of notary public)

**EMPLOYEE LEASING – CONSENT TO THE RELEASE OF CLIENT INITIATION OR TERMINATION INFORMATION**

This document supplements your ACORD 130 FL Application and the Addendum (ACORD 133 FL). Its content is considered a part of, and is incorporated by reference into, any workers' compensation and employer's liability insurance policy issued by the FWCJUA. The FWCJUA will issue your insurance policy through a service provider, if you are determined to be eligible for coverage.

The FWCJUA requires you to release certain client initiation or termination information maintained by the State of Florida pursuant to Chapter 468, Florida Statutes. By entering into this policy, you consent to the release of client initiation or termination information to the FWCJUA and its authorized service providers.

We will safeguard the information and maintain its confidentiality to the extent provided or permitted under Florida law. We will limit use of the information to verifying compliance with the terms of the policy, the FWCJUA Plan of Operations and Florida law.

**I HEREBY CERTIFY THAT I HAVE READ AND FULLY UNDERSTAND THE PRECEDING STATEMENTS, AND CONSENT TO THE RELEASE OF CLIENT INITIATION OR TERMINATION INFORMATION MAINTAINED BY THE STATE OF FLORIDA PURSUANT CHAPTER 468, FLORIDA STATUTES (THE "INFORMATION") TO THE FWCJUA AND ITS AUTHORIZED SERVICE PROVIDERS. I UNDERSTAND AND AGREE THAT THIS CONSENT TO THE RELEASE OF THE INFORMATION SHALL APPLY TO ALL INFORMATION PREVIOUSLY RECEIVED BY THE STATE OF FLORIDA WITHIN ONE YEAR PRECEDING THE DATE OF THIS CONSENT, AS WELL AS TO ALL INFORMATION WHICH IS RECEIVED IN THE FUTURE BY THE STATE OF FLORIDA WHICH RELATES TO THE PERIOD OF THE POLICY OR ANY RENEWAL THEREOF. THE FWCJUA AND ITS AUTHORIZED SERVICE PROVIDERS SHALL HAVE ACCESS TO THE INFORMATION BEGINNING ON THE DATE OF THIS CONSENT AND ENDING THREE YEARS AFTER EXPIRATION OF THE POLICY OR ANY RENEWAL THEREOF.**

\_\_\_\_\_  
Leasing Company (Print)

\_\_\_\_\_  
Leasing Company Representative's Signature  
(Must be an owner, partner or officer)

\_\_\_\_\_  
Leasing Company's Federal Employer  
Identification Number (FEIN)

\_\_\_\_\_  
Print Name & Title of Representative Signing  
Above on Behalf of Leasing Company

\_\_\_\_\_  
Leasing Company's Unemployment Compensation  
Account Number

\_\_\_\_\_  
Leasing Company's License Number

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

Sworn to (or affirmed) and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ . He/She is personally known to me or has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed Name  
My Commission Expires:

**FLORIDA WORKERS' COMPENSATION JOINT UNDERWRITING ASSOCIATION, INC.**

**ACKNOWLEDGEMENT BY LABOR CONTRACTOR AND CLIENT  
OF TERMS AND CONDITIONS OF THE MULTIPLE COORDINATED POLICY**

This document supplements your ACORD 130 FL Application and Addendum (ACORD 133 FL). Its content is considered a part of, and is incorporated by reference into, any workers' compensation and employer's liability insurance policy issued by the FWCJUA. The FWCJUA will issue your insurance policy through a service provider, if you are determined to be eligible for coverage.

The multiple coordinated policy is an assessable policy issued under Tier 3. If the FWCJUA is unable to pay its obligations, the policyholders in Tier 3 will be required to contribute on a pro rata earned premium basis the money necessary to meet any assessment levied for a Tier 3 deficit. The labor contractor and client are jointly liable under the multiple coordinated policy on a pro rata basis for that portion of the total assessment which corresponds to the earned premiums attributed to the client's leased workers covered under the policy. If the labor contractor fails to pay the assessment attributed to the client's leased workers, the client will be required to pay such assessment directly to the FWCJUA without regard to whether the client has made any payments to the labor contractor.

Certain words and phrases in the multiple coordinated policy are defined as follows:

"Labor contractor" means the person or entity furnishing some or all of the workers to another entity.

"Client" means the person or entity using the services of a labor contractor to obtain some or all of its workers.

"Temporary worker" means a worker who is furnished to a person or entity to substitute for a permanent employee on leave or to meet seasonal or short-term workload conditions.

The policy does not apply with respect to temporary workers provided to the client. The policy will only cover those leased employees who are specifically identified in the contract between the labor contractor and client. Disclosure to and acceptance by the FWCJUA of the leased employees named in the contract between the labor contractor and client are conditions precedent to the coverage provided under the policy. These conditions further apply with respect to modifications or amendments of the leased employees named in the contract between the labor contractor and client. The coverage provided by the policy for the client's leased employees is specifically conditioned upon the valid existence of the employee leasing contract between the labor contractor and client. If at any time the client's leased employees cease to be leased employees provided by the labor contractor named below and listed in the schedule to the endorsements attached to the policy, the policy will cease to afford coverage for those workers.

Part One (Workers Compensation Insurance) and Part Two (Employers Liability Insurance) of the client policy apply as though the labor contractor is an insured. If specified in the schedule to the endorsements attached to the policy, the insurance afforded by the policy applies only to work performed by a client under the contract or at the project named in the schedule.

Under Part One of the client policy we will reimburse the labor contractor named in the Schedule for the benefits required by the workers compensation law if we are not permitted to pay the benefits directly to the persons entitled to them.

The insurance afforded by the client policy is only intended to provide coverage for the leased employees named in the contract between the labor contractor and the client and will not satisfy the labor contractor's duty to secure any other obligations under the workers' compensation law. We will not file evidence of this insurance on behalf of the labor contractor with any government agency.

We will not ask any other insurer of the labor contractor to share with us a loss covered by the policy.

Premium will be charged for the client's leased employees while such leased employees are provided by the labor contractor. The client must obtain from the labor contractor and furnish to us a complete payroll record of the client's leased employees provided by the labor contractor to satisfy the client's obligations under Part Five (Premium), C.2. The premiums for the client's leased workers covered under the policy will be billed directly to the labor contractor, and we will send a copy of the bill to the client.

The labor contractor and client are jointly liable for the payment of premiums, assessments, penalties, fees and surcharges determined to be due to the FWCJUA for the client's leased employees covered under the policy. The client's payment to the labor contractor will not discharge the client's liability to the FWCJUA for the payment of premiums, assessments, penalties, fees and surcharges determined to be due for the client's leased employees covered under the policy. If the labor contractor fails to make payments of premiums, assessments, penalties, fees or surcharges attributed to the client's leased employees, the client will be required to make payments of such premiums, assessments, penalties, fees or surcharges directly to the FWCJUA without regard to whether the client has made any payments to the labor contractor.

The policy may be canceled according to its terms or for violation of rules applicable to employee leasing operations, provided that the labor contractor has been provided a reasonable opportunity to cure the violation. If the policy is canceled, we will send notice of such cancellation to the labor contractor, and we will also send a copy of the notice of cancellation to the client.

Part Four (Your Duties If Injury Occurs) of the policy applies to the client and the labor contractor. The labor contractor will recognize our right to defend under Parts One and Two and our right to inspect under Part Six (Conditions).

**I HEREBY CERTIFY THAT I HAVE READ THE FOREGOING STATEMENTS AND FULLY UNDERSTAND THE TERMS AND CONDITIONS OF THE MULTIPLE COORDINATED POLICY WHICH MAY BE ISSUED TO THE LABOR CONTRACTOR AND THE CLIENT NAMED HEREIN.**

\_\_\_\_\_  
Applicant's/Labor Contractor's Name (Print)

\_\_\_\_\_  
Applicant's/Client's Name (Print)

\_\_\_\_\_  
Applicant's/Labor Contractor's Signature  
(must be an owner, partner or officer)

\_\_\_\_\_  
Applicant's/Client's Signature  
(must be an owner, partner or officer)

\_\_\_\_\_  
Print Name & Title of Authorized Representative

\_\_\_\_\_  
Print Name & Title of Authorized Representative

State of **Florida**, County of \_\_\_\_\_, Sworn to (or affirmed) and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ (Labor Contractor). He/She is personally known to me or has produced \_\_\_\_\_ as identification.

Notary Public: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

State of **Florida**, County of \_\_\_\_\_, Sworn to (or affirmed) and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ (Client). He/She is personally known to me or has produced \_\_\_\_\_ as identification.

Notary Public: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

**FLORIDA WORKERS' COMPENSATION JOINT UNDERWRITING ASSOCIATION, INC.**

**ACKNOWLEDGEMENT BY CLIENT OF THE TERMS AND CONDITIONS  
OF CONTINUED COVERAGE UNDER THE MULTIPLE COORDINATED POLICY**

A notice of cancellation has been issued to the labor contractor under the multiple coordinated policy.

Notwithstanding cancellation of the labor contractor's policy, if the FWCJUA determines that you are in compliance with the applicable terms of the multiple coordinated policy, you may have the option to continue the coverage afforded for the leased employees named in the contract between you and the labor contractor, through the date of expiration of the multiple coordinated policy, in exchange for your direct payment to the FWCJUA of any premiums, assessments, penalties, fees and surcharges both outstanding and which may hereafter become due for the remainder of the policy period for the leased employees named in the contract between you and the labor contractor.

If you elect to continue coverage for the leased employees named in the contract between you and the labor contractor after cancellation of the labor contractor's policy, the labor contractor will not be liable for any additional premiums, assessments, penalties, fees or surcharges which may be incurred by you for such leased employees on and after the effective date of cancellation of the labor contractor's policy. You and the labor contractor remain jointly liable for any premiums, assessments, penalties, fees and surcharges incurred for your leased employees prior to the effective date of cancellation of the labor contractor's policy.

If the labor contractor's policy is reinstated, you and the labor contractor will be jointly liable for the premiums, assessments, penalties, fees and surcharges attributed to the leased employees named in the contract between you and the labor contractor. If you elect to accept the FWCJUA's extension of continued coverage under the multiple coordinated policy, such coverage only applies to those leased employees named in the contract between you and the labor contractor as of the effective date of cancellation of the labor contractor's policy. Prior disclosure to and acceptance by the FWCJUA of any additional leased employees are conditions precedent to any coverage which may be afforded to leased employees not named in the contract between you and the labor contractor as of the effective date of cancellation of the labor contractor's policy.

The continued coverage extended by the FWCJUA under the multiple coordinated policy for the leased employees named in the contract between you and the labor contractor is specifically conditioned upon the valid existence of your employee leasing contract with the labor contractor. If at any time your leased employees cease to be leased employees provided by the labor contractor named in Item 1 of the Schedule to the Labor Contractor Endorsement, the multiple coordinated policy will cease to afford coverage for those workers.

**I HEREBY CERTIFY THAT I HAVE READ THE FOREGOING STATEMENTS AND FULLY UNDERSTAND THE TERMS AND CONDITIONS OF THE CONTINUED COVERAGE WHICH MAY BE EXTENDED BY THE FWCJUA UNDER THE MULTIPLE COORDINATED POLICY.**

\_\_\_\_\_  
Client's Name (Print)

\_\_\_\_\_  
Client's Signature  
(must be an owner, partner or officer)

\_\_\_\_\_  
Print Name & Title of Authorized Representative

State of Florida, County of \_\_\_\_\_. Sworn to (or affirmed) and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ (Client). He/She is personally known to me or has produced \_\_\_\_\_ as identification.

Notary Public: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

FLORIDA WORKERS' COMPENSATION JOINT UNDERWRITING ASSOCIATION, INC.  
CONTRACTOR'S SUPPLEMENTAL APPLICATION

Where space restricts a complete answer, attach answer on separate sheets of paper, in duplicate.

1. Name: \_\_\_\_\_
2. Business Address: \_\_\_\_\_
3. Phone: Home: \_\_\_\_\_ Business: \_\_\_\_\_ Cell Phone: \_\_\_\_\_
4. Federal ID Number: \_\_\_\_\_ Email Address: \_\_\_\_\_
5. Do you operate a business in a licensed trade? Yes \_\_\_ No \_\_\_
  - a. If yes, provide a copy of the license issued by the Department of Business & Professional Regulation (DBPR).
  - b. If you are operating a business that requires a license issued by DBPR but you are NOT the license holder, provide the name of the individual (the Qualifier) whose license you are using to qualify your business:  
Name: \_\_\_\_\_ License #: \_\_\_\_\_
6. Who manages your office, answers the telephone? \_\_\_\_\_
7. List all "Affiliated" entities, as defined in s. 440.02(15)(b), Florida Statutes, and their FEINs:
  1. \_\_\_\_\_ FEIN: \_\_\_\_\_
  2. \_\_\_\_\_ FEIN: \_\_\_\_\_
  3. \_\_\_\_\_ FEIN: \_\_\_\_\_
  4. \_\_\_\_\_ FEIN: \_\_\_\_\_
8. List all jobs you have in progress, with a contact name and daytime phone number, description of work, and dollar amount of the job/contract.

Job Name:	Description	Contact Name & Daytime Phone Number	(\$)	Amount of Job / Contract
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
9. Please list the different types of construction work you anticipate performing during the policy term:  
\_\_\_\_\_  
\_\_\_\_\_
10. Estimate the number of jobs you perform annually: \_\_\_\_\_
11. Give a complete description of how you obtain additional jobs: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
12. List all equipment owned and/or used in your business: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
13. If you are a sole proprietor, please attach a copy of your schedule C filed last year.
14. If you have no employees and do not use subcontractors, please answer the following questions (be specific):
  - a. How is the work performed? \_\_\_\_\_
  - b. Who performs the work? \_\_\_\_\_
  - c. Why do you need workers compensation insurance? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
15. Do you require all subcontractors to provide a foreman or superintendent at each jobsite? Yes \_\_\_ No \_\_\_
  - a. If no, who provides DIRECT supervision over the workers? \_\_\_\_\_
  - b. Do you use any subcontractors who perform the work themselves and have no employees? Yes \_\_\_ No \_\_\_



CONTRACTOR'S SUPPLEMENTAL APPLICATION (Question # 16 continued)

Subcontractor's Legal Business Name and Mailing Address	Subcontractor's FEIN	Type of Work Performed	# of Employees	Amount Paid For Labor Only	Indicate Applicable Documents & Attach Copies
6.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
7.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
8.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
9.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
10.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
11.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
12.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
13.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
14.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
15.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
16.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
17.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
18.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
19.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
20.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
21.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None



FLORIDA WORKERS' COMPENSATION JOINT UNDERWRITING ASSOCIATION, INC.  
CONTRACTOR'S SUPPLEMENTAL APPLICATION

Where space restricts a complete answer, attach answer on separate sheets of paper, in duplicate.

1. Name: \_\_\_\_\_
2. Business Address: \_\_\_\_\_
3. Phone: Home: \_\_\_\_\_ Business: \_\_\_\_\_ Cell Phone: \_\_\_\_\_
4. Federal ID Number: \_\_\_\_\_ Email Address: \_\_\_\_\_
5. Do you operate a business in a licensed trade? Yes \_\_\_ No \_\_\_
  - a. If yes, provide a copy of the license issued by the Department of Business & Professional Regulation (DBPR).
  - b. If you are operating a business that requires a license issued by DBPR but you are NOT the license holder, provide the name of the individual (the Qualifier) whose license you are using to qualify your business:  
Name: \_\_\_\_\_ License #: \_\_\_\_\_
6. Who manages your office, answers the telephone? \_\_\_\_\_
7. List all "Affiliated" entities, as defined in s. 440.02(15)(b), Florida Statutes, and their FEINs:
  1. \_\_\_\_\_ FEIN: \_\_\_\_\_
  2. \_\_\_\_\_ FEIN: \_\_\_\_\_
  3. \_\_\_\_\_ FEIN: \_\_\_\_\_
  4. \_\_\_\_\_ FEIN: \_\_\_\_\_
8. List all jobs you have in progress, with a contact name and daytime phone number, description of work, and dollar amount of the job/contract.

Job Name:	Description	Contact Name & Daytime Phone Number	(\$)	Amount of Job / Contract
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
9. Please list the different types of construction work you anticipate performing during the policy term:  
\_\_\_\_\_  
\_\_\_\_\_
10. Estimate the number of jobs you perform annually: \_\_\_\_\_
11. Give a complete description of how you obtain additional jobs: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
12. List all equipment owned and/or used in your business: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
13. If you are a sole proprietor, please attach a copy of your schedule C filed last year.
14. If you have no employees and do not use subcontractors, please answer the following questions (be specific):
  - a. How is the work performed? \_\_\_\_\_
  - b. Who performs the work? \_\_\_\_\_
  - c. Why do you need workers compensation insurance? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
15. Do you require all subcontractors to provide a foreman or superintendent at each jobsite? Yes \_\_\_ No \_\_\_
  - a. If no, who provides DIRECT supervision over the workers? \_\_\_\_\_
  - b. Do you use any subcontractors who perform the work themselves and have no employees? Yes \_\_\_ No \_\_\_



CONTRACTOR'S SUPPLEMENTAL APPLICATION (Question # 16 continued)

Subcontractor's Legal Business Name and Mailing Address	Subcontractor's FEIN	Type of Work Performed	# of Employees	Amount Paid For Labor Only	Indicate Applicable Documents & Attach Copies
6.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
7.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
8.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
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12.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
13.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
14.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
15.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
16.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
17.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
18.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
19.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
20.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None
21.				\$	<input type="checkbox"/> Certificate of Insurance (COI) <input type="checkbox"/> Exemption Form AND Notarized Letter** <input type="checkbox"/> Leasing Company (COI) AND Notarized Letter* <input type="checkbox"/> None

FLORIDA WORKERS' COMPENSATION JOINT UNDERWRITING ASSOCIATION, INC.

ACKNOWLEDGEMENT BY EMPLOYER OF TERMS AND CONDITIONS OF AN "IF ANY" POLICY

This document supplements your ACORD 130 FL Application and the Addendum (ACORD 133 FL). Its content is considered a part of, and is incorporated by reference into, any workers' compensation and employer's liability insurance policy issued by the FWCJUA. The FWCJUA will issue your insurance policy through a service provider, if you are determined to be eligible for coverage.

This notice is being issued because you have applied for an "if any" policy, which provides workers' compensation and employer's liability insurance if you hire any Employee during the policy period.

Your application for insurance states that you do not have any Employees. You are required to notify us within three business days if you do hire any Employee during the policy period. Failure to timely notify us may be considered an intentional misrepresentation, which may result in the cancellation of your policy and in the denial of insurance coverage. You must report the hiring of any Employee by calling us at 1-800-247-7218.

Section 440.381 (6), Florida Statutes, provides:

(6) If an employer understates or conceals payroll, or misrepresents or conceals employee duties so as to avoid proper classification for premium calculations, or misrepresents or conceals information pertinent to the computation and application of an experience rating modification factor, the employer, or the employer's agent or attorney, shall pay to the insurance carrier a [penalty of 10 times the amount of the difference in premium paid and the amount the employer should have paid and reasonable attorney's fees. The penalty may be enforced in the circuit courts of this state.

Section 440.105, Florida Statutes, provides:

(4) Whoever violates any provision of this subsection commits insurance fraud, punishable as provided in paragraph (f).

(b) It shall be unlawful for any person:

5. To knowingly make any false, fraudulent, or misleading oral or written statement, or to knowingly omit or conceal material information, required by s. 440.185 or s. 440.381, for the purpose of obtaining workers' compensation coverage or for the purpose of avoiding, delaying, or diminishing the amount of payment of any workers' compensation premiums.

6. To knowingly misrepresent or conceal payroll, classification of workers, or information regarding an employer's loss history which would be material to the computation and application of an experience rating modification factor for the purpose of avoiding or diminishing the amount of payment of any workers' compensation premiums.

I hereby certify that I have read and fully understand the preceding statements, and I acknowledge my understanding that I am required to notify you within 3 business days if I hire any Employee during the policy period. Failure to timely notify you may be considered an intentional misrepresentation, which may result in the cancellation of my policy and in the denial of insurance coverage.

Applicant's/Employer Name (Print)

Applicant's/Employer Signature  
(Must be an Owner, Partner or Officer)

Print Name & Title of Representative Signing  
Above on Behalf of Applicant/Employer

State of Florida, County of \_\_\_\_\_ Sworn to (or affirmed) and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_, by \_\_\_\_\_. He/She is personally known to me or has produced \_\_\_\_\_ as identification.

Notary Public \_\_\_\_\_ Printed Name \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

**FLORIDA WORKERS' COMPENSATION JOINT UNDERWRITING ASSOCIATION, INC.  
EMPLOYER'S AFFIDAVIT**

**EMPLOYER'S RESPONSIBILITIES** Under section 440.381, Florida Statutes, you are required to submit payroll information each quarter to verify your Workers' Compensation policy premium. In order to keep your coverage in force, you must fully complete this affidavit, sign and return it by the due date specified. In addition, please be advised that by signing this affidavit, you attest that you understand the following aspects of the FWCJUA plan and section 440.381, Florida Statutes:

1. You are responsible for reporting the payroll of both employees and uninsured subcontractors. If you fail to provide this information, you may be held liable for claims filed in subsequent quarters by or on behalf of unreported employees, uninsured subcontractors or employees of uninsured subcontractors, unless you can prove that the claimant was hired after filing of the quarterly report.
2. The penalty for acts that result in underpayment of premium is 10 times the amount underpaid (plus any attorney fees incurred by the FWCJUA). Therefore, you should not: a) understate or conceal payroll; b) misrepresent employee duties so as to avoid proper classification for premium calculations, or; c) misrepresent or conceal information pertinent to the computation and application of an experience rating modification factor.
3. Your policy will be charged for subcontractor exposure unless you can furnish us with the following: a) a valid certificate of insurance showing proof of Florida workers' compensation insurance for said subcontractor, OR b) a valid certificate of exemption (form DWC-250) purged by the state for the contracted trade or occupation AND a notarized statement from the subcontractor attesting to not having any employees or subcontractors. If a subcontractor has an employee leasing arrangement providing workers' compensation insurance, you must furnish a valid certificate of insurance for the leasing company showing proof of Florida workers' compensation insurance, as well as an affidavit from the subcontractor attesting to not having any unreported employees.
4. Based on specific criteria outlined in the FWCJUA Manual, you are assigned to one of three tiers; each tier is subject to a specific surcharge applied to the voluntary comparable premium and is subject to FWCJUA minimum premiums. Refer to your policy information page for your tier assignment and surcharge. In addition, if you are assigned to Tier 3 you will be subject to the Assigned Risk Adjustment Program (ARAP), if applicable. The tier surcharge also applies to any premiums that may develop because you employ uninsured subcontractors.
5. If you are assigned to Tier 3, your policy is assessable. This means that if the FWCJUA is unable to pay its obligations, you will be required to contribute on a pro-rata-earned-premium basis the money necessary to meet any assessment levied for a Tier 3 deficit.

<b>Legal Business Name</b>	<b>Federal ID #</b>	<b>Business Phone</b>
<b>Policy Number</b>	<b>Policy Effective Date</b>	<b>Quarter Being Reported (Quarter &amp; Year)</b>

<p><b>A) Do you have any full or part-time employees?</b></p> <p><input type="checkbox"/> Yes - Attach last quarter's 941 and UCT-6 for all employees.</p> <p><input type="checkbox"/> No</p>	<p><b>B) Is any part of your work performed by subcontractors?</b></p> <p><input type="checkbox"/> Yes - Complete the following schedule. Provide last quarter's actual expense for all subcontract labor as well as an estimate for the full 12 month period covered by this policy. Include a 12 month estimate for each &amp; every subcontractor, actual &amp; anticipated</p> <p><input type="checkbox"/> No - Explain how work is preformed: _____</p>
---	--

**C) Do you lease employees?** You are obligated to inform the FWCJUA of whether you currently lease any employees from an employee leasing company or through any employee leasing arrangement. You are responsible for completely and accurately reporting to the FWCJUA the names, social security numbers, relevant job duties and payroll information regarding any leased employees, as well as providing the FWCJUA with a copy of any employee leasing agreement which is in effect at any time while your FWCJUA insurance coverage is in effect. In addition, while your FWCJUA insurance coverage is in effect, you are obligated to notify the FWCJUA within three (3) business days after you lease employees from an employee leasing company, enter into an employee leasing arrangement, cease leasing employees from an employee leasing company or terminate any employee leasing agreement. Regardless of whether an employee leasing company provides workers' compensation and employer's liability insurance for the employees you lease, the FWCJUA will include the leased employees' payroll in determining your premium. You will be obligated to pay the FWCJUA any additional premium resulting from the inclusion of the leased employees' payroll in the determination of your premium.

Yes Provide PEO(s) name: \_\_\_\_\_  
Annual payroll for leased workers: \_\_\_\_\_

No

**I hereby attest that the information provided in this affidavit is accurate. In addition, I certify that I have read and understand the above statements regarding my responsibility under the Florida Workers' Compensation Statute and the FWCJUA rules.**

<b>Officer or Principal's Name</b> (Please Print)	<b>Officer or Principal's Signature</b> (Please sign)	<b>Date</b>
State of <b>Florida</b> County of _____	Sworn to (or affirmed) and subscribed before me this _____ day of _____, 20____, by _____	Personally known _____ Or produced identification _____
Notary (Signature of Notary Public - State of <b>Florida</b> )	Notary (Print, typed or stamped commissioned name of notary public)	Type of Identification Produced _____

**FLORIDA WORKERS' COMPENSATION JOINT UNDERWRITING ASSOCIATION  
EMPLOYER'S AFFIDAVIT**

Legal Business Name		Policy Number		Quarter Being Reported (Quarter & Year)		
SUBCONTRACTOR'S LEGAL BUSINESS NAME AND MAILING ADDRESS	SUBCONTRACTOR'S FEIN	TYPE OF WORK PERFORMED	# OF EMPLOYEES	AMOUNT YOU PAID TO SUBCONTRACTOR FOR LABOR - ACTUAL LAST QTR	AMOUNT YOU PAID TO SUBCONTRACTOR FOR LABOR - FULL POLICY ESTIMATE	INDICATE APPLICABLE DOCUMENTS & ATTACH COPIES (See # 3 on reverse side)
1				\$	\$	<input type="checkbox"/> Certificate of Insurance <input type="checkbox"/> Exemption Form AND Notarized Letter <input type="checkbox"/> Leasing Company Certificate of Insurance AND Notarized Letter <input type="checkbox"/> None
2				\$	\$	<input type="checkbox"/> Certificate of Insurance <input type="checkbox"/> Exemption Form AND Notarized Letter <input type="checkbox"/> Leasing Company Certificate of Insurance AND Notarized Letter <input type="checkbox"/> None
3				\$	\$	<input type="checkbox"/> Certificate of Insurance <input type="checkbox"/> Exemption Form AND Notarized Letter <input type="checkbox"/> Leasing Company Certificate of Insurance AND Notarized Letter <input type="checkbox"/> None
4				\$	\$	<input type="checkbox"/> Certificate of Insurance <input type="checkbox"/> Exemption Form AND Notarized Letter <input type="checkbox"/> Leasing Company Certificate of Insurance AND Notarized Letter <input type="checkbox"/> None
5				\$	\$	<input type="checkbox"/> Certificate of Insurance <input type="checkbox"/> Exemption Form AND Notarized Letter <input type="checkbox"/> Leasing Company Certificate of Insurance AND Notarized Letter <input type="checkbox"/> None
6				\$	\$	<input type="checkbox"/> Certificate of Insurance <input type="checkbox"/> Exemption Form AND Notarized Letter <input type="checkbox"/> Leasing Company Certificate of Insurance AND Notarized Letter <input type="checkbox"/> None
7				\$	\$	<input type="checkbox"/> Certificate of Insurance <input type="checkbox"/> Exemption Form AND Notarized Letter <input type="checkbox"/> Leasing Company Certificate of Insurance AND Notarized Letter <input type="checkbox"/> None
8				\$	\$	<input type="checkbox"/> Certificate of Insurance <input type="checkbox"/> Exemption Form AND Notarized Letter <input type="checkbox"/> Leasing Company Certificate of Insurance AND Notarized Letter <input type="checkbox"/> None
9				\$	\$	<input type="checkbox"/> Certificate of Insurance <input type="checkbox"/> Exemption Form AND Notarized Letter <input type="checkbox"/> Leasing Company Certificate of Insurance AND Notarized Letter <input type="checkbox"/> None
10				\$	\$	<input type="checkbox"/> Certificate of Insurance <input type="checkbox"/> Exemption Form AND Notarized Letter <input type="checkbox"/> Leasing Company Certificate of Insurance AND Notarized Letter <input type="checkbox"/> None
11				\$	\$	<input type="checkbox"/> Certificate of Insurance <input type="checkbox"/> Exemption Form AND Notarized Letter <input type="checkbox"/> Leasing Company Certificate of Insurance AND Notarized Letter <input type="checkbox"/> None
12				\$	\$	<input type="checkbox"/> Certificate of Insurance <input type="checkbox"/> Exemption Form AND Notarized Letter <input type="checkbox"/> Leasing Company Certificate of Insurance AND Notarized Letter <input type="checkbox"/> None

(Make additional copies to list additional subcontractors)

**PAYROLL SERVICE WITH PREMIUM WITHHOLDING AGREEMENT (FWCJUA 04 04)**

This document supplements your ACORD 130 FL Application and the Addendum (ACORD 133 FL). Its content is considered a part of, and is incorporated by reference into, any workers' compensation and employer's liability insurance policy issued by the FWCJUA. The FWCJUA will issue your insurance policy through a service provider, if you are determined to be eligible for coverage.

The FWCJUA requires you to execute a Paychex® Florida Workers' Compensation JUA Payment Service Agreement and a Paychex Service Agreement electing, at a minimum, Taxpay® (includes SUI Support Service) at your sole expense within 14 calendar days of coverage being bound by the FWCJUA in order to qualify for the modified deposit and advance premium requirements. The FWCJUA further requires you to maintain these two agreements with Paychex in good standing throughout your policy period with failure to do so resulting in cancellation of your policy. The FWCJUA further requires you to release certain employment and wage information maintained by Paychex pursuant to the two aforementioned agreements. By entering into this policy, you consent to timely execute these two agreements as required with Paychex at your sole expense and to maintain these two agreements in good standing with Paychex throughout the policy period. You further consent to the release of the information to the FWCJUA and its authorized service providers.

I HEREBY CERTIFY THAT I HAVE READ AND FULLY UNDERSTAND THE PRECEDING STATEMENTS, AND CONSENT TO THE REQUIREMENT TO EXECUTE A PAYCHEX FLORIDA WORKERS' COMPENSATION JUA PAYMENT SERVICE AGREEMENT AND A PAYCHEX SERVICE AGREEMENT ELECTING, AT A MINIMUM, TAXPAY (INCLUDES SUI SUPPORT SERVICE) AT MY SOLE EXPENSE WITHIN FOURTEEN CALENDAR DAYS OF COVERAGE BEING BOUND BY THE FWCJUA. I FURHTER CONSENT TO MAINTAIN BOTH OF THESE SAID AGREEMENTS WITH PAYCHEX IN GOOD STANDING THROUGHOUT MY POLICY PERIOD. I UNDERSTAND AND AGREE THAT MY FAILURE TO EXECUTE AND MAINTAIN IN GOOD STANDING THESE TWO SAID AGREEMENTS WITH PAYCHEX SHALL RESULT IN THE CANCELLATION OF MY POLICY. I FURTHER CONSENT TO THE RELEASE OF THE INFORMATION MAINTAINED BY PAYCHEX PURSUANT TO THE TWO AGREEMENTS I AM REQUIRED TO EXECUTE WITH PAYCHEX (THE "INFORMATION") TO THE FWCJUA AND ITS AUTHORIZED SERVICE PROVIDERS. I UNDERSTAND AND AGREE THAT THIS CONSENT TO THE RELEASE OF THE INFORMATION SHALL APPLY TO ALL INFORMATION RECEIVED BY PAYCHEX FOR ANY TAX/WAGE REPORTING PERIOD BEGINNING ON THE DATE OF THIS AGREEMENT, AS WELL AS TO ALL INFORMATION WHICH IS RECEIVED IN THE FUTURE BY PAYCHEX FOR ANY TAX/WAGE REPORTING PERIOD WHICH COINCIDES WITH THE PERIOD OF THE POLICY OR ANY RENEWAL THEREOF. THE FWCJUA AND ITS AUTHORIZED SERVICE PROVIDERS SHALL HAVE ACCESS TO THE INFORMATION BEGINNING ON THE DATE OF THIS AGREEMENT AND ENDING THREE YEARS AFTER EXPIRATION OF THE POLICY OR ANY RENEWAL THEREOF.

\_\_\_\_\_  
Applicant's /Employer's Name (Print)

\_\_\_\_\_  
Applicant's / Employer's Signature  
(Must be an owner, partner or officer)

\_\_\_\_\_  
Applicant's Federal Employer  
Identification Number (FEIN)

\_\_\_\_\_  
Print Name & Title of Representative Signing  
Above on Behalf of Applicant /Employer

\_\_\_\_\_  
Applicant's Unemployment Compensation  
Account Number

STATE OF **FLORIDA**  
COUNTY OF \_\_\_\_\_

Sworn to (or affirmed) and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ . He/She is personally known to me or has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed Name  
My Commission Expires:

**REVIEW OF RATES, RATING PLANS AND POLICY FORMS AND  
ASSOCIATED MATTERS TO INCLUDE APPLICATION FORMS**

**Revisions to Forms to Implement Senate Bill 1894**

The Rates & Forms Committee shall consider recommending that the Board authorize staff to file revisions to the ACORD 133 FL (2007/07) and the Assessable Policy Notice Endorsement (FWCJUA 04 01) to implement Senate Bill 1894, if enacted.

Attached for the Committee's perusal are the proposed revisions to the two forms with edits highlighted in red and yellow as well as underline or strikethrough. If adopted, the revised forms shall be formatted for insertion into the Operations Manual and filed with OIR for approval.

**The Rates & Forms Committee shall determine whether to recommend that the Board authorize staff to file the proposed revisions to the ACORD 133 FL (2007/07) and the Assessable Policy Notice Endorsement (FWCJUA 04 01) to implement Senate Bill 1894, if enacted.**





PRODUCER	PHONE (A/C, No, Ext):	APPLICANT NAME
CODE:	SUB CODE:	
AGENCY FEIN:		

This document supplements your ACORD 130 FL Application for workers compensation and employers liability insurance to be issued by the FWCJUA. Its content is considered a part of, and is incorporated by reference into, any workers compensation and employers liability insurance policy issued by the FWCJUA.

**Request for Additional Information**

1. Is the applicant legally related through common management or ownership, or does it exhibit any degree of control over any entity not listed on the Application, whether coverage is requested or not? If yes, please complete an ERM - 14 (Confidential Request for Information) form and attach to ACORD 130 FL.  YES  NO
2. Has there been a name change or a consolidation, merger or other ownership change during the past five years? If yes, complete an ERM - 14 (Confidential Request for Information) form and attach to ACORD 130 FL.  YES  NO
3. Is the applicant currently in bankruptcy or aware of pending bankruptcy proceedings? If yes, the applicant must submit 100% of the total estimated annual premium to secure coverage through the FWCJUA and a deposit premium, if applicable. The applicant must also provide copies of monthly trustee reports within five days of filing with the bankruptcy court to avoid cancellation.  YES  NO
4. Has the applicant previously leased employees from a PEO or an Employee Leasing Company? If yes, provide the name, address and telephone number of the PEO or the Employee Leasing Company.  YES  NO
5. How many individuals does the applicant currently employ?  
Include Sole Proprietor, Partners or Officers, who may be exempt under the law. Full-Time: \_\_\_\_\_ Part-Time: \_\_\_\_\_
6. Do any of the applicant's employees go on board barges, boats, vessels and/or docks? If yes, please describe, in detail, the specific job duties related to the exposure.  YES  NO
7. Does the applicant anticipate the number of employees increasing during the course of the policy term? If yes, how many additional employees are anticipated? Full-Time: \_\_\_\_\_ Part-Time: \_\_\_\_\_  YES  NO
8. Is the applicant exempt from federal income tax pursuant to s. 501(c)(3) of the Internal Revenue Code? If yes, provide a copy of Form 990, Return of Organization Exempt from Income Tax, or Form 990-EZ, Short Form Return of Organization Exempt from Income Tax.  YES  NO
9. Have you or any of your employees reported a workers compensation injury within the last 60 days? If yes, please provide details.  YES  NO

**Statements:**

The FWCJUA may issue your policy through a service provider, if you are determined to be eligible for coverage. To be eligible for coverage with the FWCJUA, you must be required to maintain workers compensation and employers liability insurance and be in good faith entitled to but unable to purchase such insurance through the voluntary market. You are not in good faith entitled to insurance if any of the following circumstances exist, at the time of application or thereafter, or other evidence exists that you are not in good faith entitled to insurance:

- (1) If, at the time of application, you are self-insured and are aware of pending bankruptcy proceedings; insolvency; cessation of operations; or conditions that would probably result in occupational disease or cumulative injury claims from exposures incurred while you were self-insured;
- (2) If you, while insurance is in force, knowingly refuse to meet reasonable health and safety requirements;
- (3) If you or an affiliated person has an undisputed outstanding obligation for workers compensation premium on current or previous insurance to any agent, broker, premium finance company, insurer, or other insurance company; or
- (4) If you, or your representative and/or your Producer knowingly makes a material misrepresentation on your Application or a change in ownership by omission or otherwise, including any of the following, then insurance hereunder may be refused or canceled: estimated annual premium, estimated payroll, offers of workers compensation insurance; nature of business, name or ownership of business; previous insurance history; or outstanding workers compensation premium obligation of yourself or other enterprise with a common managing interest.

As Florida law requires that applicants be unable to obtain voluntary coverage to be entitled to FWCJUA coverage, you must have applied for and been rejected within the past 60 days by at least two non-affiliated insurers authorized to write and actively writing workers compensation and employers liability in Florida for your type of business, specifically including, where applicable, the current insurer. The offer of any rating plan approved in Florida shall be deemed an offer of insurance in a regular manner, and such an offer makes you ineligible for FWCJUA coverage.

Receipt of valid payment of estimated annual or deposit premium is a condition precedent to the acceptance and consideration of the Application by the FWCJUA. In the event that such valid payment does not accompany the Application, the Application will be rejected and not considered as an application for coverage. A check or draft remitted for the estimated annual or deposit premium shall be valid payment only if honored on first presentation through usual banking facilities.

Likewise, the completion and signing of the Application is a condition precedent to its acceptance for consideration by the FWCJUA. If your Application is not signed by a representative having authority to bind you to an insurance contract, or your Application is materially incomplete, it shall be rejected by the FWCJUA and shall not be considered as an application for coverage. Your Application shall be materially incomplete when, in the sole discretion of the FWCJUA, information necessary to the processing of your Application, the determination of premium, or the binding of coverage is omitted or illegible.

All applications for coverage with the FWCJUA shall be reviewed for accuracy, completeness and compliance with the provisions contained herein, using any available historic information regarding yourself.

If you are determined by the FWCJUA to be eligible for coverage, coverage will be bound at 12:01 a.m. on whichever day is the later of (1) the expiration day of existing coverage; or (2) the day requested on your Application; or (3) the first day following the U.S. postmark date on the envelope in which your Application and estimated annual or deposit premium is mailed; or (4) the day of receipt of the envelope in which your Application and estimated annual or deposit premium is mailed if there should be no legible U.S. postmark date or if sent by overnight mail for next day delivery; or (5) the day after receipt of your Application and estimated annual or deposit premium inclusive of a flat fee, if made by personal delivery.

Upon obtaining coverage through the FWCJUA, you will be assigned to one of three rating tiers based upon the eligibility criteria outlined below:

Tier 1 Eligibility: An employer that has an experience modification rating shall be included in Tier 1 if the employer meets all of the following through the date immediately preceding the inception or renewal date of the employer's coverage through the FWCJUA: (1) the experience modification is below 1.00, and (2) the employer had no lost-time claims subsequent to the applicable experience rating period, and (3) the total of the employer's medical-only claims subsequent to the applicable experience rating period did not exceed 20% of premium. An employer that does not have an experience modification rating shall be included in Tier 1 if the employer meets all of the following for the 3-year period immediately preceding the inception date or renewal date of the employer's coverage through the FWCJUA: (1) the employer had no lost-time claims, and (2) the total of the employer's medical-only claims did not exceed 20% of premium, and (3) the employer secured workers compensation coverage for the entire 3 years, and (4) the employer provides his or her loss history generated by his or her prior workers compensation insurer(s), and (5) the employer is not a new business.

Tier 2 Eligibility: An employer that has an experience modification rating shall be included in Tier 2 if the employer meets all of the following through the date immediately preceding the inception or renewal date of the employer's coverage through the FWCJUA: (1) the experience modification is equal to or greater than 1.00 but not greater than 1.10, and (2) the employer had no lost-time claims subsequent to the applicable experience rating period, and (3) the total of the employer's medical-only claims subsequent to the applicable experience rating period did not exceed 20% of premium. An employer that does not have an experience modification rating shall be included in Tier 2 if (1) the employer is a new business or (2) the employer has less than 3 years of loss experience in the 3-year period immediately preceding the inception date or renewal date of the employer's coverage through the FWCJUA provided the employer meets all of the following for the 3-year period immediately preceding the inception date or renewal date of the employer's coverage through the FWCJUA: (a) the employer had no lost-time claims, and (b) the total of the employer's medical-only claims did not exceed 20% of premium, and (c) the employer provides his or her loss history generated by his or her prior workers compensation insurer(s).

Tier 3 Eligibility: An employer shall be included in Tier 3 if the employer does not meet the eligibility criteria for Tier 1 or Tier 2.

If you are assigned to Tier 1 or Tier 2, you shall not receive an assessable policy. **IF YOU ARE ASSIGNED TO TIER 3, YOU SHALL RECEIVE AN ASSESSABLE POLICY. THIS MEANS THAT IF THE PLAN IS UNABLE TO PAY ITS OBLIGATIONS, YOU WILL BE REQUIRED TO CONTRIBUTE ON A PRO-RATA-EARNED-PREMIUM BASIS THE MONEY NECESSARY TO MEET ANY ASSESSMENT LEVIED FOR TIER 3. YOU MAY BE ASSESSED MORE THAN ONCE, AND ANY ASSESSMENT MAY BE MADE EITHER WHILE YOUR POLICY IS IN EFFECT OR AT ANY TIME AFTER YOUR POLICY'S TERMINATION, EXPIRATION OR CANCELLATION. ASSESSMENTS LEVIED AGAINST YOU AS A TIER 3 PARTICIPANT SHALL COVER ONLY THE DEFICITS ATTRIBUTABLE TO TIER 3 AND MAY NOT BE OFFSET BY ANY SURPLUS GENERATED WITHIN SUBPLAN "A," SUBPLAN "B," SUBPLAN "C," SUBPLAN "D," TIER 1 OR TIER 2 REGARDLESS OF WHETHER YOU WERE EVER A PARTICIPANT IN ANOTHER RATING SUBPLAN OR TIER.**

**I HEREBY ACKNOWLEDGE THAT I HAVE READ THE PRECEDING STATEMENTS AND SWEAR THAT AS THE EMPLOYER:**

- (1) The responses to the preceding requests for additional information are accurate and the corresponding required or supporting forms are attached to my ACORD 130 FL Application;
- (2) I am in good faith entitled to but have been unable to purchase workers compensation and employers liability insurance through the voluntary market;
- (3) If there have been any offers of voluntary coverage, full details, including insurer name, representative, and terms of that coverage are attached to my ACORD 130 FL Application to the FWCJUA;



Effective July 1, 200~~4~~7**FLORIDA WORKERS COMPENSATION JOINT UNDERWRITING ASSOCIATION, INC.****ASSESSABLE POLICY NOTICE ENDORSEMENT (FWCJUA 04 01)**

This endorsement is issued to explain the assessability feature of a policy issued in Tier 3. If you are assigned to Tier 1 or Tier 2, your policy is not assessable. Your tier assignment is located in the Schedule to the Tier and Premium Surcharge Notice Endorsement (FWCJUA 04 02) form which is attached to your policy.

**IF YOU ARE ASSIGNED TO TIER 3, YOUR POLICY IS ASSESSABLE. THIS MEANS THAT IF THE PLAN IS UNABLE TO PAY ITS OBLIGATIONS, YOU WILL BE REQUIRED TO CONTRIBUTE ON A PRO-RATA, EARNED PREMIUM BASIS THE MONEY NECESSARY TO MEET ANY ASSESSMENT LEVIED FOR THE TIER TO WHICH YOU ARE ASSIGNED. PARTICIPANTS IN TIER 3 MAY BE ASSESSED MORE THAN ONCE, AND ANY ASSESSMENT MAY BE MADE EITHER WHILE THE TIER 3 POLICY IS IN EFFECT OR AT ANY TIME AFTER THE TERMINATION, EXPIRATION OR CANCELATION OF THE TIER 3 POLICY.**

**ASSESSMENTS LEVIED AGAINST YOU AS A TIER 3 PARTICIPANT SHALL COVER ONLY THE DEFICITS ATTRIBUTABLE TO TIER 3 AND MAY NOT BE OFFSET BY ANY SURPLUS GENERATED WITHIN SUBPLAN "A," SUBPLAN "B," SUBPLAN "C," SUBPLAN "D," TIER 1 OR TIER 2 REGARDLESS OF WHETHER YOU WERE EVER A PARTICIPANT IN ANOTHER SUBPLAN OR TIER.**

For further explanation of the eligibility criteria, applicable rates, applicable surcharges and assessability features for each of the three rating tiers, please refer to the ACORD 133 FL(200~~4~~7/07) which You completed as part of your FWCJUA Application and which is incorporated by reference into your policy.

**REVIEW OF RATES, RATING PLANS AND POLICY FORMS AND  
ASSOCIATED MATTERS TO INCLUDE APPLICATION FORMS**

**Acknowledgement of FWCJUA Payment Options**

The Rates & Forms Committee shall consider the introduction of the attached Acknowledgement of FWCJUA Payment Options form and revisions to the ACORD 134 FL and FWCJUA Supplemental Employee Leasing Application as well as the following Operations Manual revisions for recommendation to the Board as vehicles to implement a possible May 24<sup>th</sup> Producer Committee recommendation that additional steps be taken to ensure that applicants are given the opportunity to make informed decisions with regard to selecting how they want to pay premiums to the FWCJUA if coverage is afforded:

1. Page 4, **KEY TERMS/DEFINITIONS**, amend definition as follows:  
 “**FWCJUA Application for Coverage**,” “**FWCJUA Application**,” “**Application for Coverage**” and “**Application**” amend as follows: means the ACORD 130 FL, ACORD 133 FL, Employment & Wage Information Release Agreement, Applicant’s Affidavit, ~~and~~ Applicant’s Affidavit as to Employee Leasing, and Acknowledgement of FWCJUA Premium Payment Options.
  
2. Page 35, **PART FOUR – AGENCY AND DESIGNATED PRODUCERS, B. DUTIES AND RESPONSIBILITIES**, amend the 6<sup>th</sup> paragraph as follows:  
 To explain to the Employer, at the time of application, that if determined to be eligible and in good faith entitled to FWCJUA coverage, the premium will be calculated using any applicable FWCJUA surcharges. The Agency or its Designated Producer must also notify and explain to the Employer, in writing, the eligibility criteria, applicable rates, applicable surcharges, all premium payment options and assessable feature for each rating tier.
  
3. Page 37, **C. APPLICATION FOR COVERAGE, 1. How to Secure FWCJUA Coverage**, amend first sentence as follows:  
 The Agency or its Designated Producer shall assist the Employer in completing the FWCJUA Application for Coverage that consists of the (1) ACORD 130 FL, (2) ACORD 133 FL, (3) Employment and Wage Information Release Agreement, (4) Applicant’s Affidavit, ~~and~~ (5) Applicant’s Affidavit as to Employee Leasing, and (6) Acknowledgement of FWCJUA Premium Payment Options and in computing the proper estimated annual and deposit and/or advance premiums.
  
4. Page 49, **PART FOUR – AGENCY AND DESIGNATED PRODUCERS, C. APPLICATION FOR COVERAGE**, add the following:  
**8. ACKNOWLEDGEMENT OF FWCJUA PREMIUM PAYMENT OPTIONS**  
  
By signing the Acknowledgement of FWCJUA Premium Payment Options form, the Producer acknowledges his or her obligation to (1) provide the Employer with the opportunity to read about the FWCJUA’s premium payment options explained in the form and (2) answer any and all of the Employer’s questions regarding the payment options offered by the FWCJUA. Further, by completing and signing the Acknowledgement of FWCJUA Premium Payment Options, the Employer acknowledges that he or she (1) has read the form and any and all questions were answered by the Producer and (2) agrees to be bound by the terms of the selected premium payment option.
  
5. Page 111, **PART SEVEN – FORMS**, add:  
Acknowledgement of FWCJUA Premium Payment Options

At its May 24<sup>th</sup> meeting, the Producer Committee shall consider concerns that some agencies/designated producers are not taking the time to explain all of the FWCJUA’s premium payment options and methods at the time of application to employers; thus, employers are not being given the opportunity to make informed decisions with regard to paying for their FWCJUA policies. Of particular concern, is that some agencies/designated producers may be steering their clients who do not have all of the required premiums immediately available directly into financing agreements, for which the agency/designated producer receives compensation, rather than suggesting the FWCJUA’s optional payroll service with premium withholding program. In one instance, an applicant who already utilized the services of an FWCJUA authorized payroll

service partner was not told about the optional payroll service with premium withholding program and entered into a premium financing agreement to the applicant's financial detriment.

By way of background, the optional payroll service with premium withholding program requires an eligible employer with payroll to purchase minimum services from an FWCJUA authorized payroll service at its own expense; and in return, the program offers a significantly reduced advance premium and waives any deposit premium requirement, regardless of the employer's total estimated annual premium. Upfront costs and associated costs with various total estimated annual premiums (TEAP's) are demonstrated in the table below:

<b>EMPLOYER'S TEAP</b>	<b>NORMAL DEPOSIT AND ADVANCE PREMIUM REQUIREMENTS</b>	<b>REQUIRED ADVANCE PREMIUM UNDER PROGRAM</b>	<b>UPFRONT COST SAVINGS</b>
\$1,000	\$1,500	\$642	57%
\$3,075 (maximum minimum premium)	\$3,075	\$988	68%
\$4,500	\$4,500	\$1,225	73%
\$4,501	\$2,251	\$1,226	46%
\$10,000	\$5,000	\$2,142	57%

It is the FWCJUA's position that agencies and their designated producers that are authorized to submit business to the FWCJUA already have the obligation to disclose all of the FWCJUA premium payment options and payment methods; however, it appears prudent to specifically reference this requirement, at a minimum, in the Operations Manual. Additionally, at its May 24<sup>th</sup> meeting, the Producer Committee will also be considering whether to recommend that a form be introduced that all applicants seeking coverage through the FWCJUA would be required to complete and sign as a part of their Application for Coverage that would ensure that each applicant is given the opportunity to make an informed decision with regard to selecting how the applicant wants to pay premium to the FWCJUA. Accordingly, the Acknowledgement of FWCJUA Premium Payment Options is being introduced for consideration along with related Operations Manual revisions and revisions to both the ACORD 134 FL and the FWCJUA Supplemental Employee Leasing Application.

If adopted by the Board, the above-mentioned proposed and revised forms will be formatted for insertion into the Operations Manual and filed along with the Board approved Operations Manual revisions for approval with OIR.

**The Rates & Forms Committee shall determine whether to recommend that the Board adopt the proposed Acknowledgement of FWCJUA Premium Payment Options form, the proposed revision to the ACORD 134 FL, the proposed revision to the FWCJUA Supplemental Employee Leasing Application and the proposed Operations Manual revisions as vehicles to implement any May 24<sup>th</sup> Producer Committee recommended additional disclosures to applicants related to the FWCJUA's premium payment options as soon as practicable.**

**FLORIDA WORKERS COMPENSATION JOINT UNDERWRITING ASSOCIATION, INC.**

**ACKNOWLEDGEMENT OF FWCJUA PREMIUM PAYMENT OPTIONS**

This document supplements your ACORD 130 FL Application and the Addendum (ACORD 133 FL). Its contents are considered a part of, and are incorporated by reference into, any workers compensation and employer's liability insurance policy issued by the FWCJUA. The FWCJUA will issue your insurance policy through a service provider if you are determined to be eligible for coverage.

You are required to choose one of three payment options for your FWCJUA coverage. Please refer to the reverse side of this form for a detailed explanation of each premium payment option, especially the eligibility requirements for each payment option.

**PREMIUM PAYMENT OPTIONS – SELECT ONE**

*(Prior to selection, please refer to the reverse side of this form for a detailed explanation of the three premium payment options.)*

**Option 1: Payment in Full of the Total Estimated Annual Premium (TEAP)**

**Option 2: Deposit & Advance Premium Plan**

<u>Total Estimated Annual Premium (TEAP)</u>	<u>Deposit Premium</u>	<u>Advance Premium</u>	<u>Additional Payments</u>
Less than or equal to \$1,000	50% of Annual	100% of Annual	0
Greater than \$1,000 and less than \$4,500	50% of Annual	50% of Annual	3 due in months 3, 6 and 9
Equal to or greater than \$4,500	0%	50% of Annual	3 due in months 3, 6 and 9

**Option 3: Payroll Service with Premium Withholding Program**

<u>Total Estimated Annual Premium (TEAP)</u>	<u>Deposit Premium</u>	<u>Advance Premium</u>	<u>Additional Payments</u>
Any TEAP	0%	1/6 of TEAP + \$475	As Payroll Service Partner makes payroll distributions

**As the Producer, I hereby attest that I have given the applicant/signatory the opportunity to read this form, ACKNOWLEDGEMENT OF FWCJUA PREMIUM PAYMENT OPTIONS, and I have answered any and all questions regarding the payment options.**

\_\_\_\_\_  
Producer's Name (Print)

\_\_\_\_\_  
Producer's Signature

\_\_\_\_\_  
Notary Public Signature

\_\_\_\_\_  
Printed Name of Notary

My Commission Expires: \_\_\_\_\_

Sworn & Subscribed to me this \_\_\_\_ day of \_\_\_\_\_ 20\_\_

**I hereby certify that I have read and fully understand the preceding statements, and I acknowledge that the Producer has answered any and all questions I had related to the FWCJUA's premium payment options available at application. Further, I have selected a premium payment option and agree to be bound by the terms of such.**

\_\_\_\_\_  
Applicant's/Employer's Name (Print)

\_\_\_\_\_  
Applicant's/Employer's Signature  
(Must be an Owner, Partner or Officer)

\_\_\_\_\_  
Print Name & Title of Representative Signing  
Above on Behalf of Applicant/Employer

\_\_\_\_\_  
Notary Public Signature

\_\_\_\_\_  
Printed Name of Notary

My Commission Expires: \_\_\_\_\_

Sworn & Subscribed to me this \_\_\_\_ day of \_\_\_\_\_ 20\_\_

**FLORIDA WORKERS COMPENSATION JOINT UNDERWRITING ASSOCIATION, INC.  
ACKNOWLEDGEMENT OF FWCJUA PREMIUM PAYMENT OPTIONS**

**THREE PREMIUM PAYMENT OPTIONS**

**1. Payment in Full of the Total Estimated Annual Premium (TEAP)**

All Employers may pay their Total Estimated Annual Premium (TEAP) in full at policy inception. If the Employer elects to pay its TEAP through an arrangement with a premium finance company, a copy of the signed premium finance agreement must be submitted with the Application for Coverage. The finance agreement will often require the Employer to sign over to the finance company two important rights: (1) the right to cancel the policy should the Employer fail to meet a payment as required in the agreement and (2) the right of the finance company to receive return premiums, whether the policy is canceled or not. The FWCJUA must have a copy of the premium finance agreement to determine and acknowledge the finance company's rights.

**2. Deposit & Advance Premium Plan**

This minimum program is mandatory for all eligible Employers unless payment in full is made at policy inception or the optional Payroll Service with Premium Withholding Program referenced below is selected.

<u>Total Estimated Annual Premium (TEAP)</u>	<u>Deposit Premium</u>	<u>Advance Premium</u>	<u>Additional Payments</u>
Less than or equal to \$1,000	50% of Annual	100% of Annual	0
Greater than \$1,000 and less than \$4,500	50% of Annual	50% of Annual	3 due in months 3, 6 and 9
Equal to or greater than \$4,500	0%	50% of Annual	3 due in months 3, 6 and 9

**3. Payroll Service with Premium Withholding Program**

This program is optional and available only to eligible Employers with payroll, as it requires an Employer to execute an application agreement and, within 14 calendar days of coverage being bound for the Employer, the required service agreement(s) with an FWCJUA authorized Payroll Service Partner. The Employer shall be responsible for the payment of all the Payroll Service Partner's fees under the required service agreement(s), and the Employer must maintain his or her agreement(s) with the Payroll Service Partner in good standing throughout the policy period. Failure to timely execute the required service agreement(s) with an FWCJUA authorized Payroll Service Partner or to maintain said agreement(s) in good standing shall result in the cancellation of the Employers policy. The following types of Employers shall not be eligible for this program: (1) labor contractors (e.g., PEO), (2) temporary help services, (3) Employers aware of pending bankruptcy procedures, (4) Employers who do not report and maintain employees under their policy, (5) Employers seeking coverage for domestic servants; and (6) Employers whose operations are seasonal.

<u>Total Estimated Annual Premium (TEAP)</u>	<u>Deposit Premium</u>	<u>Advance Premium</u>	<u>Additional Payments</u>
Any TEAP	0%	1/6 of TEAP + \$475	As Payroll Service Partner makes payroll distributions

**Exceptions for all three of the premium payment options:**

- (1) Any person who has been delinquent in the payment of premium, assessments, penalties or surcharges owed to the FWCJUA on previous insurance may be required to send funds sufficient to establish a deposit premium equal to 50% of the total estimated annual premium.
- (2) Any person delinquent in the payment of premium, assessments, penalties or surcharges owed to the FWCJUA will be required to pay the debt in full prior to obtaining additional insurance through the FWCJUA and may be required to send funds sufficient to establish a deposit premium equal to 50% of the total estimated annual premium.
- (3) Any person aware of bankruptcy proceedings will be required to send funds sufficient to cover the entire estimated annual premium and will be required to provide the FWCJUA with copies of monthly trustee reports, within five days of filing with the bankruptcy court.

**Notes for all three of the premium payment options:**

- (1) Total estimated annual premium and final policy premium are subject to verification and audit by the FWCJUA. This may result in additional premium due or in the return of premium.
- (2) If less than 5% additional premium inclusive of fees and surcharges develops for the first policy year and through the second consecutive policy year, the Insured shall not be required to pay a deposit premium for the third consecutive policy year and for each consecutive policy year thereafter provided additional premium generated for each policy year is less than 5% inclusive of surcharges.
- (3) Florida Statute 440.381(6) provides for an Employer, or his/her agent or attorney, to pay its Insurer a penalty of ten times the amount of the difference in premium paid and the amount the Employer should have paid and reasonable attorney fees if payrolls are intentionally understated or concealed.
- (4) The deposit and advance premium requirements are followed by the FWCJUA's Service Provider. The Service Provider, based on sound underwriting practices, has the right to make appropriate changes in the premium installment payment program due to an interim audit. The Service Provider will give the reasons for any change.





**FLORIDA WORKERS COMPENSATION JOINT UNDERWRITING ASSOCIATION, INC.  
INSTRUCTIONS FOR COMPLETING ACORD 130 FL & ACORD 133 FL**

Use the information below, along with the ACORD Forms Instruction Guide for completing the ACORD 130 FL Workers Compensation Applications. All questions should be referred to the FWCJUA (see contact information below).

**Guide to Premium Calculation: (Pricing tool at [www.fwcjua.com](http://www.fwcjua.com) calculates premium)**

Employer's Liability Increased Limits, if applicable, applied to total manual premium.

Waiver of Subrogation Factor, if applicable, is 5% applied to the portion of total manual premium where waiver is applied.

Voluntary market terrorism charge applicable to all three rating tiers, (Payroll/100 x .03 = Premium). This premium is applied after standard premium and is not subject to any other modifications including experience rating.

Experience Modification, if applicable, applied to total subject premium

Assigned Risk Adjustment Program Surcharge, if applicable under Tier 3, applied to total modified premium.

Tier 1 surcharge above voluntary comparable premium is 10%, and does not apply to FWCJUA Tier 1 minimum premium.

Tier 2 surcharge above voluntary comparable premium is 64%, and does not apply to FWCJUA Tier 2 minimum premium.

Tier 3 surcharge above voluntary comparable premium is 145%, and does not apply to FWCJUA Tier 3 minimum premium.

Premium Discount does not apply.

Flat Fee, applicable to all three rating tiers, is \$475, applied to total standard premium.

Expense Constant for all three rating tiers is \$200.

**Note:** Florida Statute 440.381(6) provide for an employer, or his/her agent or attorney, to pay its insurer a penalty of ten times the amount of difference in premium paid and the amount the employer should have paid and reasonable attorney fees if payrolls are understated or concealed.

**Roofers Special Deposit: (Pricing tool at [www.fwcjua.com](http://www.fwcjua.com) calculates this special deposit)**

The FWCJUA requires roofing Employers to estimate an annual payroll or exposure amount based on one employee using one-half the state's annual wage to compute the total estimated annual premium at time of application and/or policy renewal. If, however, upon final payroll audit no payroll or exposure actually develops, a refund will be made to the Employer adjusting the final earned premium to code 5551's minimum premium plus the flat fee.

*(See Miscellaneous Values pages for minimum remuneration to calculate the special deposit.)*

**Deposit & Advance Premium Requirements (Pricing tool at [www.fwcjua.com](http://www.fwcjua.com) calculates the deposit & advance premiums)**

**Deposit Premium:**

A deposit premium is required to secure or renew coverage in the FWCJUA. At final audit, the deposit will be applied to any earned premium due or to the renewal premium (not to the renewal deposit). A similar deposit shall be required at renewal. The amount of deposit premium is dependent upon the total estimated annual premium.

**A. Total Estimated Annual Premium less than or equal to \$4,500:**

If the total estimated annual premium is less than or equal to \$4,500, the amount of deposit premium payable must be equal to 50% of the total estimated annual premium.

**B. Total Estimated Annual Premium greater than \$4,500:**

If, however, total estimated premium exceeds \$4,500, a deposit premium is not required.

*Exceptions to B:*

(1) Any person who has been delinquent in the payment of premium, assessments, penalties, fees or surcharges owed to the FWCJUA on previous insurance may be required to send funds sufficient to establish a deposit premium equal to 50% of the total estimated annual premium.

(2) Any person delinquent in the payment of premium, assessments, penalties, fees or surcharges owed to the FWCJUA will be required to pay the debt in full prior to obtaining additional insurance through the FWCJUA and may be required to send funds sufficient to establish a deposit premium equal to 50% of the total estimated annual premium.

**Advance Premium:**

An advance premium is also required to secure or renew coverage in the FWCJUA.

**A. Total Estimated Annual Premium less than or equal to \$1,000:**

If total estimated annual premium is less than or equal to \$1,000, the amount of advance premium payable must be equal to the total estimated annual premium.

**B. Total Estimated Annual Premium greater than \$1,000:**

If the total estimated annual premium exceeds \$1,000, the amount of advance premium payable shall be at least 50% of total estimated annual premium, but not less than \$1,000. In addition, payments equal to the remaining balance in three equal payments rounded upward to the nearest dollar are payable three (3) months, six (6) months, and nine (9) months from policy inception.

## Optional Payroll Service with Premium Withholding Program:

### A. Eligibility

This program is optional and available only to eligible Employers with payroll, as it requires an Employer to execute an application agreement and, within 14 calendar days of coverage being bound for the Employer, the required service agreement(s) with an FWCJUA authorized Payroll Service Partner. The Employer shall be responsible for the payment of all the Payroll Service Partner's fees under the required service agreement(s), and the Employer must maintain his or her agreement(s) with the Payroll Service Partner in good standing throughout the policy period. Failure to timely execute the required service agreement(s) with an FWCJUA authorized Payroll Service Partner or to maintain said agreement(s) in good standing shall result in the cancellation of the Employers policy.

#### Exception to A:

The following types of Employers shall not be eligible for this program: (1) labor contractors (e.g., PEO), (2) temporary help services, (3) Employers aware of pending bankruptcy procedures, (4) Employers who do not report and maintain employees under their policy, (5) Employers seeking coverage for domestic servants; and (6) Employers whose operations are seasonal.

### B. Modified Deposit and Advance Premium Requirements

An Employer, who chooses to participate in this program by completing the required application agreement, for the Employer's selected FWCJUA authorized Payroll Service Partner, shall be required to submit an advance premium equal to 1/6 of his or her total estimated annual premium plus the \$475 application fee, regardless of the Employer's total estimated annual premium. The Employer shall not be required to submit a deposit premium, regardless of the Employer's total estimated annual premium.

*Exception: Any person aware of bankruptcy proceedings shall be required to submit to the FWCJUA 100% of the total estimated annual premium and the required deposit premium, if applicable, as well as copies of monthly trustee reports, within five days of filing with the bankruptcy court.*

Total estimated annual premium and final policy premium are subject to verification and audit by the FWCJUA. This may result in additional premium due or in the return of premium.

If less than 5% additional premium inclusive of surcharges develops for the first policy year and through the second consecutive policy year, the insured will not be required to pay a deposit premium for the third consecutive policy year and for each consecutive policy year thereafter provided additional premium generated for each policy year is less than 5% inclusive of surcharges.

### Election/Rejection Under State Law:

Corporate officers of a corporation shall automatically be covered under an FWCJUA policy unless the Employer files the proper exemption of coverage form with the Bureau of Compliance. Corporate officers of corporations in the construction industry are permitted to elect exemption only if they maintain at least a 10 percent stock ownership in the corporation; however, no more than three corporate officers within the corporation are permitted to be exempt. Corporate officers of corporations in non-construction industries are also permitted to elect exemption; however, without either of the referenced restrictions applicable within the construction industry. If an officer chooses not to be covered, then an exemption form must be completed and accompany the ACORD 130 FL. Use form DWC-250 for officers of a corporation in non-construction and construction industries. The payroll for all officers who are covered must be included in the premium calculations.

Sole Proprietors or Partners in non-construction industries shall not be covered under an FWCJUA policy unless they file the proper election of coverage form with the Bureau of Compliance. If they desire to be covered, they must complete an election of coverage form, DWC-251. The payroll for partners or sole proprietors is not to be included in the premium calculation unless they have chosen to be covered under the policy.

Partners and Sole Proprietors in the construction industry are automatically covered under the Law and cannot elect exemption. The payroll for all partners or sole proprietors in the construction industry must be included in the premium calculation.

### "FWCJUA Application for Coverage" consists of :

1. ACORD 130 FL
2. ACORD 133 FL
3. Employment and Wage Information Release Agreement
4. Applicant's Affidavit
5. Applicant's Affidavit As To Employee Leasing
6. Acknowledgement of FWCJUA Premium Payment Options & Payment Methods

The "FWCJUA Application for Coverage" and instructions are available through the FWCJUA website, [www.fwcjua.com](http://www.fwcjua.com) or by contacting the FWCJUA (see contact information below). The ACORD forms are also available through ACORD. To become an ACORD subscriber and place an order, contact ACORD at (800) 444-3341.

**Required Application Attachments:**

- Check made payable to the FWCJUA for the Total Estimated Annual Premium or the required Deposit and/or Advance Premiums
- UCT- 6 or 941 Payroll Verification Form (if applicable)
- Exemption/Election Forms (if applicable)
- Experience Rating Worksheet (if applicable)
- ERM-14 (Confidential Request for Information) form (if applicable)
- Previous WC Policy Years Dec Page, reflecting class codes and payrolls (if applicable)
- Current Valued Loss Runs with corresponding Policy Premium in accordance with tier eligibility criteria (if applicable)
- FWCJUA Supplemental Employee Leasing Application (if applicable)
- Employee Leasing - Consent To The Release Of Client Initiation or Termination Information (if applicable)
- Acknowledgement by Labor Contractor and Client of Terms and Conditions of the Multiple Coordinated Policy (if applicable)
- Horse Trainer's Supplemental Application (if applicable)
- Truckers Supplemental Application (if applicable)
- Contractor's Supplemental Application (if applicable)
- Certificates of Insurance issued within the last 30 days for all Subcontracted Labor (if applicable)
- Copy of Contractor's License (if applicable)
- Finance Agreement (if applicable)
- Full details on any Voluntary Offers of Coverage (if applicable)

**Certificates of Insurance:**

Certificates of Insurance are to be issued by the Service Provider within five (5) working days of receipt of the request provided the policy has been issued. Often, more immediate issuance is required. If so, the Producer must contact the Service Provider to request permission to issue a specific certificate of insurance. The Service Provider has the authority to decide whether to permit the Producer to issue the specific certificate of insurance.

To request the issuance of a certificate of insurance for a policy which has been issued, the FWCJUA's Service Provider may be contacted at 1-800-247-7218. If there is an immediate need for the issuance of a certificate of insurance upon the binding of coverage for an Employer, the Producer may submit a written request for the issuance of said certificate directly to the FWCJUA via e-mail ([fwcjua@fwcjua.com](mailto:fwcjua@fwcjua.com)) or fax (941-378-7406). This written request must include the name of the insured; the FWCJUA's binder number; and the name and address of the proposed certificate holder. Upon receipt of the Producer's written request, the FWCJUA shall promptly (1) determine whether to permit the Producer to issue the certificate and (2) provide the Producer with its written decision. If the Producer receives permission to issue a certificate of insurance by either the FWCJUA or its Service Provider, the Producer shall promptly provide a copy of the certificate to the authorizing party.

A Producer may not automatically assume the responsibility of issuing certificates of insurance without prior consent and permission from the FWCJUA or its Service Provider. The only party authorized by the FWCJUA with the discretionary power to issue certificates of insurance is its Service Provider. Producers are not authorized to issue certificates of insurance without the prior consent and permission of the FWCJUA or its Service Provider. A Producer shall only be given permission to issue a certificate of insurance on an individual case-specific basis. Further, the FWCJUA shall take disciplinary action against Producers for issuing certificates of insurance without the advance authorization of the FWCJUA or its Service Provider, including suspension or revocation of a Producer's privilege to submit business to the FWCJUA.

If given permission by the FWCJUA or its Service Provider to issue a specific certificate of insurance, the Producer should use the ACORD 25 certificate of insurance form. If the FWCJUA or its Service Provider gives specific instructions on the completion of the certificate form, such instructions should be carefully followed.

**Mail Applications To:**

FWCJUA  
P.O. Box 48957  
Sarasota, FL 34230-5957

Tel: (941) 378-7400  
Fax: (941) 378-7406  
Website: [www.fwcjua.com](http://www.fwcjua.com)

FWCJUA mail requiring a street address (e.g., certified mailing or overnight delivery service) should be directed to the following address:  
6003 Honore Avenue, Suite 204, Sarasota, FL 34238.

**Note:** Facsimile transmission of application is allowed; however the application will not be processed until payment is received.

# **FWCJUA SUPPLEMENTAL EMPLOYEE LEASING APPLICATION**

(Please print or type. Attach separate forms if necessary.)

*If you lease employees to another business you are required to cover the leased workers and the non-leased workers on a multiple coordinated policies basis and must **complete SIDE A.***

*If you lease employees from another business you are required to cover the leased workers possibly the non-leased workers and must **complete SIDE B.***

*An Employer who is a labor contractor that secures coverage through the FWCJUA shall be required to cover any and all of its direct employees and any and all of its leased workers on a multiple coordinated policies basis.*

## **SIDE A**

### **Section I. (LABOR CONTRACTOR INFORMATION)**

A labor contractor leasing workers to another entity or entities must supply all requested information on this side of the application. Exclude any temporary help service provided. For purposes of this application, temporary help service means a service whereby the labor contractor hires its own employees and assigns them to clients for a finite time period to support or supplement the client's work force in special work situations such as employee absences, temporary skill shortages and seasonal workloads.

Legal Business Name of Labor Contractor: \_\_\_\_\_ License #: \_\_\_\_\_

1. Provide a list of the names, addresses and FEINs of each client to which you lease employees and identify those clients for which you are not submitting an application for coverage. In the case where an application has not or will not be submitted for a client, please explain.
2. To the best of your knowledge, do any of the clients listed have outstanding premium obligations due on any workers compensation policy?  Yes  No. If yes, list firm, amount owed, to which company and whether the amount is under dispute.

### **Section II. (CLIENT INFORMATION)**

The labor contractor must obtain and submit the following information or documentation for each client:

1. A completed FWCJUA application for each client which includes the ACORD 130 FL, ACORD 133 FL (Addendum to ACORD 130 FL), ~~the~~ Applicant's Affidavit, ~~the~~ Employment and Wage Information Release Agreement, Applicant's Affidavit As To Employee Leasing, Acknowledgement of FWCJUA Premium Payment Options, and ~~the~~ Acknowledgement By Labor Contractor and Client of Terms and Conditions of the Multiple Coordinated Policy.
2. Attach a list of the name, address, and FEIN (if known) of each labor contractor leasing employees to the client (exclude any temporary employment, i.e., arrangements when employees are furnished for short periods of time to substitute for permanent employees or to meet temporary work loads).
3. Attach a signed copy of the written contract(s) between you and the client covering leased workers.
4. Describe completely the kinds of operations that will be performed by the leased employees. Give a detailed description of the business and operation conducted.
5. Based on the description in 4 above for the client, provide a listing of all leased employees along with their Social Security number, classification code and wages.
6. Attach a sworn statement signed by the owner, partner or officer authorized to bind the client legally, that states:
  - a. The policy number and carrier for each workers compensation insurance policy issued to the client under each and every name the client has operated under in the preceding five (5) years.
  - b. All of the client's non-leased employees are covered by a workers compensation insurance policy. In addition, the sworn written statement must provide the policy number, carrier, a listing of the non-leased employees and the aggregate payroll applicable to each classification code. Attach a copy of a current Certificate of Insurance.

### **Labor Contractors Statement:**

The labor contractor attests that all required information is attached and is accurate, to the best of the labor contractor's knowledge and belief. The labor contractor further attests that any and all charges to such information will be supplied to the FWCJUA. The labor contractor agrees to provide or cause to be provided to the FWCJUA claims and other information pertaining to each covered client as required to calculate each client's experience modification.

Labor Contractor Name: \_\_\_\_\_  
(Print or type)

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(Officer, owner or person authorized to legally bind the labor contractor)

**FWCJUA SUPPLEMENTAL EMPLOYEE LEASING APPLICATION**

(Please print or type. Attach separate forms if necessary.)

*If you lease employees to another business you are required to cover the leased workers and the non-leased workers on a multiple coordinated policies basis and must **complete SIDE A.***

*If you lease employees from another business you are required to cover the leased workers and possibly the non-leased workers and must **complete SIDE B.***

*An Employer who is a client in an employee leasing arrangement that secures coverage directly through the FWCJUA shall be required to cover any and all of its leased workers on the FWCJUA policy and shall be responsible for paying premium to the FWCJUA that includes any and all of its leased workers' payroll in addition to its direct employees (non-leased workers), regardless of whether a labor contractor provides workers' compensation and employer's liability insurance for any or all of the leased workers.*

*An Employer who is a client in an employee leasing arrangement that secures coverage through the FWCJUA on a multiple coordinated policies basis in coordination with a labor contractor shall maintain all of the leased workers on its FWCJUA policy. Direct employees (non-leased workers) of the client shall not be included on the FWCJUA policy issued on a multiple coordinated policies basis. The client may secure FWCJUA coverage for its direct employees (non-leased workers) under separate application to the FWCJUA; however, such coverage is only available through the FWCJUA while the Employer's multiple coordinated policy issued through the FWCJUA covering the non-leased workers is in force without a notice of cancellation.*

**SIDE B**

Legal Business Name of Employer \_\_\_\_\_ Risk ID \_\_\_\_\_  
Address \_\_\_\_\_ FEIN \_\_\_\_\_

1. Name, address, and FEIN (if known) of each company leasing employees to you. (Exclude any temporary employment, i.e., arrangements when employees are furnished for short periods of time to substitute for permanent employees or to meet temporary work loads.)
2. Attach a signed copy of the written contract(s) with the company leasing employees to you.
3. Describe completely the kinds of operations that will be performed by the leased employees.
4. Show the number of employees furnished and estimated payroll by work location.

Location	Class Code	No. of Employees	Estimated Payroll	Premium

5. List the names of leased employees

Name	Class Code	Social Security #	Name	Class Code	Social Security #

6. List the office address(es) where payroll records are kept for the leased employees and who keeps the records.

Name	Street	City	County	State	Zip

Applicant's Name (print or type) \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

**FORMS ASSOCIATED WITH AGENCY AUTHORIZATION PROCESS**

The Rates & Forms Committee shall consider the attached proposed Agency Producer Agreement Addendum to Exhibit A form for recommendation to the Board as the vehicle to implement a possible May 24<sup>th</sup> Producer Committee recommendation regarding change procedures for the Agency Producer Agreement as well as the below associated Operations Manual revisions:

1. Add to Part Four – Agency and Designated Producers, A. Eligibility, page 35, paragraph 7, as follows: The Agency and each of its Designated Producers must enter into an Agency Producer Agreement with the FWCJUA. A copy of the Agency Producer Agreement may be found in Part Seven of this Manual. Additionally, should the Agency desire to add or delete a Designated Producer or Customer Service Representative during the term of the Agreement, an Agency Producer Agreement Addendum to Exhibit A may be completed or the Agency may terminate the existing Agreement and enter into a new two-year Agreement. A copy of the Addendum may be found in Part Seven of this Manual.
2. Add to Part Seven – Forms, page 149, Agency Producer Agreement Addendum to Exhibit A.

The proposed Addendum to Exhibit A of the Agency Producer Agreement was created to permit the Agency principal to add or delete a Designated Producer or Customer Service Representative (CSR), from the original Agreement authorized by the FWCJUA, rather than complete a whole new Agency Producer Agreement. The proposed Addendum to Exhibit A is not meant to replace the original Exhibit A, but simply to add and/or delete information from the original Agreement. The effective date of the Addendum will be the date accepted by the FWCJUA. If adopted, the new form and associated Operations Manual revisions shall be formatted for insertion into the Operations Manual and filed for approval with OIR.

On May 24<sup>th</sup>, the Producer Committee will also be considering recommending to the Board that there be no charge associated for a change in a CSR or for the deletion of a Designated Producer; however, there would be a \$100 fee for the addition of a new Designated Producer, regardless of the remaining length of the Agreement. Given the Agency would be given the discretion of entering into a new Agreement or modifying it's current Agreement, the fee is reasonable as it is consistent with the fee charged per Designated Producer at the inception of the two-year Agreement.

**The Rates & Forms Committee shall determine whether to recommend that the Board implement any May 24<sup>th</sup> Producer Committee recommended change procedures for the Agency Producer Agreement to permit the Agency's principal to add or delete a Designated Producer or Customer Service Representative from the original Agreement by adopting the proposed Agency Producer Agreement Addendum to Exhibit A form and the associated Operations Manual revisions as soon as practicable.**

**Agency Producer Agreement  
Addendum to Exhibit A**

**AGENCY LOCATIONS, DESIGNATED PRODUCERS AND  
CUSTOMER SERVICE REPRESENTATIVES ADDENDUM**

I \_\_\_\_\_(Name of Authorized Agency Principal) certify on behalf of \_\_\_\_\_(Agency Name) that (i) the Designated Producer(s), being added to this previously authorized Agency location is an individual(s) licensed by the Department as a general lines insurance agent (copy attached) with at least one qualifying appointment and (ii) the CSR(s), being added is duly licensed by the Department (copy attached), is an employee(s) of the Agency working under the direct supervision of a Designated Producer, and is authorized by the Agency to transact business related to the FWCJUA.

By executing this Addendum to Exhibit A, each Designated Producer hereby expressly acknowledges and agrees that he or she has received a complete copy of the Agency Producer Agreement to which this Exhibit A is attached, and such Designated Producer agrees to be bound by the terms of the Agreement.

A separate Addendum to Exhibit A should be completed and attached to the Agreement for each Agency location, and additional copies of Exhibit A may be copied as necessary to list additional Designated Producers and CSRs if additional space is needed.

Designated Producers and CSRs may be added or deleted by marking the appropriate check-box and including the date of the change. A Designated Producer only needs to sign this form if he or she is being added; no Designated Producer signature is required for a deletion.

**AGENCY LOCATION INFORMATION:**

Agency Name (including d/b/a if applicable)	Agency Location Address
Agency Location Telephone Number	Agency License or Registration Number
Name of Agent-In-Charge	

**DESIGNATED PRODUCERS AT AGENCY LOCATION:**

1)  Add or  Delete \_\_\_\_\_  
(Date)

(Print Designated Producer Name)	(License number)	(Florida WC Insurer Appointment)
(Producer Signature)	(Phone Number)	(E-mail Address)

2)  Add or  Delete \_\_\_\_\_  
(Date)

(Print Producer Name)	(License number)	(Florida WC Insurer Appointment)
(Producer Signature)	(Phone Number)	(E-mail Address)

ATTACH ADDITIONAL PAGES AS NEEDED

3) \_\_\_\_\_ Add or \_\_\_\_\_ Delete  
 \_\_\_\_\_  
 (Date)  
 \_\_\_\_\_  
 (Print Designated Producer Name) (License number) (Florida WC Insurer Appointment)  
 \_\_\_\_\_  
 (Producer Signature) (Phone Number) (E-mail Address)

**CUSTOMER SERVICE REPRESENTATIVES:**

1) \_\_\_\_\_ Add or \_\_\_\_\_ Delete  
 \_\_\_\_\_  
 (Date)  
 \_\_\_\_\_  
 (Print CSR Name) (License number) (Name of Supervising Designated Producer)  
 \_\_\_\_\_  
 (Phone Number) (E-mail Address)

2) \_\_\_\_\_ Add or \_\_\_\_\_ Delete  
 \_\_\_\_\_  
 (Date)  
 \_\_\_\_\_  
 (Print CSR Name) (License number) (Name of Supervising Designated Producer)  
 \_\_\_\_\_  
 (Phone Number) (E-mail Address)

3) \_\_\_\_\_ Add or \_\_\_\_\_ Delete  
 \_\_\_\_\_  
 (Date)  
 \_\_\_\_\_  
 (Print CSR Name) (License number) (Name of Supervising Designated Producer)  
 \_\_\_\_\_  
 (Phone Number) (E-mail Address)

**FLORIDA WORKERS' COMPENSATION  
 JOINT UNDERWRITING ASSOCIATION, INC.**

By: \_\_\_\_\_  
 (Authorized FWCJUA Representative's Signature) (Authorized Agency Principal's Signature)

Name: \_\_\_\_\_  
 (Authorized FWCJUA Representative's Name) (Print Authorized Agency Principal's Name)

Title: \_\_\_\_\_  
 (Agency FEIN Number)

Effective Date: \_\_\_\_\_  
 (To be completed by FWCJUA)

ATTACH ADDITIONAL PAGES AS NEEDED



**OPERATIONS MANUAL REVISIONS**

The Rates & Forms Committee shall consider recommending that the Board authorize the following proposed Operations Manual revisions to implement SB 1894, if enacted; one Safety Committee recommendation; the two previously discussed possible May 24<sup>th</sup> Producer Committee recommendations; and several "housekeeping" items.

1. Amend Key Terms/Definitions as follows:

**"Affiliated Person" of another person, as defined in section 627.311(5)(p)(t), Florida Statutes,** means:

- (i) the spouse of such other natural person;
- (ii) any person who directly or indirectly owns or controls, or holds with the power to vote, 5 percent or more of the outstanding voting securities of such other person;
- (iii) any person who directly or indirectly owns 5 percent or more of the outstanding voting securities that are directly or indirectly owned or controlled, or held with the power to vote, by such other person;
- (iv) any person or group of persons who directly or indirectly control, are controlled by, or are under common control with such other person;
- (v) any officer, director, trustee, partner, owner, manager, joint venturer, or employee, or other person performing duties similar to persons in those positions, of such other person; or
- (vi) any person who has an officer, director, trustee, partner, or joint venturer in common with such other person. *(housekeeping)*

**"FWCJUA Application for Coverage," "FWCJUA Application," "Application for Coverage" and "Application"** amend as follows: means the ACORD 130 FL, ACORD 133 FL, Employment & Wage Information Release Agreement, Applicant's Affidavit, ~~and~~ Applicant's Affidavit as to Employee Leasing, and Acknowledgement of FWCJUA Premium Payment Options. *(Producer Committee)*

**"MAP"** means the Florida Market Assistance Plan, authorized by sections 627.311(5)(b)(c)4.d., and 627.311(5)(c)24., Florida Statutes. *(housekeeping)*

2. Amend the first paragraph of Part One, B. Board of Governors, as follows: *(SB 1894)*

The operation of the FWCJUA is subject to the supervision of a 9-member Board of Governors ~~comprised of two domestic Insurers, two foreign Insurers, 3 persons appointed by, and serving at the pleasure of the Commission, one person appointed by the largest property and casualty insurance agents' association in Florida, and the consumer advocate appointed under section 627.0613, Florida Statutes, or the consumer advocate's designee. The Commission is responsible for designating a member of the Board to serve as Chair. Eight board members are appointed by and serve at the pleasure of the Financial Services Commission (the "FSC") and the ninth board member is the consumer advocate appointed under section 627.0613, Florida Statutes. The FSC selects two board members from among five nominees for each seat submitted by the 20 largest domestic writers of workers' compensation insurance in Florida; two board members from among five nominees for each seat submitted by the 20 largest foreign writers of workers' compensation insurance in Florida; one board member from among five nominees submitted by the largest property and casualty insurance agents' association in Florida; and three additional board members. The FSC also selects one of the nine board members to serve as the board chair.~~

3. Amend the first paragraph of Part One, C. Rate Analysis as follows: *(housekeeping)*

~~Except as provided in Sections 627.311(5)(e)22, and 627.311(5)(e)23, Florida Statutes, t~~The FWCJUA must have actuarially sound rates that reasonably ensure that its is self-supporting. The FWCJUA shall establish and use its rates and rating plans in accordance with section 627.311(5), Florida Statutes.

4. Amend Part One, G. Retention of Surplus, as follows: *(SB 1894)*

Any premium or assessments collected by the FWCJUA in excess of the amount necessary to fund projected ultimate incurred losses and expenses of the FWCJUA and not paid to Insureds in conjunction with loss prevention or dividend programs shall be retained by the FWCJUA for future

use. Any State funds received by the FWCJUA in excess of the amount necessary to fund deficits in Subplan "D" or any Tier Rating Plan shall be returned to the State.

5. Amend the first paragraph of Part One, H. Anti-Fraud Plan, as follows: **(housekeeping)**  
The FWCJUA is committed to the prevention, detection, investigation, reporting, and prosecution of insurance fraud and shall establish, in accordance with section 626.9891(1), Florida Statutes, an Anti-Fraud Plan in order to fulfill this commitment.
6. Delete the last sentence of Part Three, D. Performance Standards For Service Providers, 14. Billing and Collection of Premium, (a) Billing Procedures: (1) Billing Statements., as follows: **(Safety Committee)**  
~~This billing statement shall include a safety reminder with a reference to the FWCJUA website.~~
7. Amend Part Three, D. Performance Standards For Service Providers, 21. Fraud, as follows: **(housekeeping)**  
The FWCJUA is committed to the prevention, detection, investigation, reporting, and prosecution of insurance fraud. The Service Provider shall have in place and operational an Anti-Fraud Plan that is in compliance with section 626.9891(1), of the Florida Statutes and consistent with the FWCJUA's Anti-Fraud Plan.
8. Amend the seventh paragraph of Part Four, A. Eligibility, as follows: **(Producer Committee)**  
The Agency and each of its Designated Producers must enter into an Agency Producer Agreement with the FWCJUA. A copy of the Agency Producer Agreement may be found in Part Seven of this Manual. Additionally, should the Agency desire to add or delete a Designated Producer or Customer Service Representative during the term of the Agreement, an Agency Producer Agreement Addendum to Exhibit A may be completed or the Agency may terminate the existing Agreement and enter into a new two-year Agreement. A copy of the Addendum may be found in Part Seven of this Manual.
9. Amend the sixth paragraph of Part Four, B. Duties and Responsibilities, as follows: **(Producer Committee)**  
To explain to the Employer, at the time of application, that if determined to be eligible and in good faith entitled to FWCJUA coverage, the premium will be calculated using any applicable FWCJUA surcharges. The Agency or its Designated Producer must also notify and explain to the Employer, in writing, the eligibility criteria, applicable rates, applicable surcharges, all premium payment options and assessable feature for each rating tier.
10. Amend the first sentence of Part Four, C. Application For Coverage, 1. How to Secure FWCJUA Coverage, as follows: **(Producer Committee)**  
The Agency or its Designated Producer shall assist the Employer in completing the FWCJUA Application for Coverage that consists of the (1) ACORD 130 FL, (2) ACORD 133 FL, (3) Employment and Wage Information Release Agreement, (4) Applicant's Affidavit, ~~and~~ (5) Applicant's Affidavit as to Employee Leasing, and Acknowledgement of FWCJUA Premium Payment Options and in computing the proper estimated annual and deposit and/or advance premiums.
11. Add item 8 to Part Four, C. Application For Coverage, as follows: **(Producer Committee)**
  8. **Acknowledgement of FWCJUA Premium Payment Options**  
By signing the Acknowledgement of FWCJUA Premium Payment Options form, the Producer acknowledges his or her obligation to (1) provide the Employer with the opportunity to read about the FWCJUA's premium payment options explained in the form and (2) answer any and all of the Employer's questions regarding the payment options offered by the FWCJUA. Further, by completing and signing the Acknowledgement of FWCJUA Premium Payment Options, the Employer acknowledges that he or she (1) has read the form and any and all questions were answered by the Producer and (2) agrees to be bound by the terms of the selected premium payment option.
12. Amend the second paragraph of Part Six, B. Policy Information, 1. Assessable Policies, as follows: **(SB 1894)**  
Assessments levied against Tier 3 participants shall cover only the deficits attributable to Tier 3 ~~and may not be offset by any surplus generated within Subplan "A", Subplan "B", Subplan "C", Subplan~~

~~“D”, Tier 1, or Tier 2 regardless of whether the Employer was ever a participant in another rating Subplan or tier.~~

13. Amend Part Six, F. Special Conditions or Operations Affecting Coverage and/or Premium, 6. Tiers, as follows:

Tier One: Applicable Rates • FWCJUA rates ~~with Tier 1 and~~ minimum premiums *(housekeeping)*

Tier Two: Applicable Rates • FWCJUA rates ~~with Tier 2 and~~ minimum premiums *(housekeeping)*

Tier Three: Applicable Rates • FWCJUA rates ~~with Tier 3 and~~ minimum premiums *(housekeeping)*

Assessable Feature • Tier 3 is an assessable rating tier. Employers qualifying for Tier 3 shall receive an assessable policy and shall be required to contribute on a pro-rata-earned-premium basis the money necessary to meet any assessment levied to cover any deficit attributable to Tier 3. Participants in Tier 3 may be assessed more than once, and any assessment may be made either while the Tier 3 policy is in effect or at any time after the termination, expiration or cancellation of the Tier 3 policy. Assessments levied against Tier 3 participants shall cover only the deficits attributable to Tier 3 ~~and may not be offset by any surplus generated within Subplan “A,” Subplan “B,” Subplan “C,” Subplan “D,” Tier 1 or Tier 2 regardless of whether the Employer was ever a participant in another rating subplan or tier.~~ *(SB 1894)*

14. Amend the first paragraph following paragraph lettered “f” of Part Six, F. Special Conditions or Operations Affecting Coverage and/or Premium, 10. Florida Contracting Classification Premium Adjustment Program (FCCPAP), as follows: *(housekeeping)*

~~{ }~~ The policy credit factor to be applied to the current policy premium equals one minus the policy percentage credit (from d. or e. as outlined above).

15. Add to Part Seven – Forms, Acknowledgement of FWCJUA Premium Payment Options *(Producer Committee)*

16. Add to Part Seven – Forms, Agency Producer Agreement Addendum to Exhibit A *(Producer Committee)*

**ACTUARIAL STUDY OF LOSS RESERVES AS OF 6/30/2007**

The Rates & Forms Committee shall consider whether to recommend that the Board authorize staff to enlist Milliman to perform a loss reserve analysis as of 6/30/2007 for purposes of effectively positioning the FWCJUA to apply for a federal tax-exemption; and if so, the Committee shall also consider whether to recommend that the Board authorize staff to negotiate a delay in filing the Second Quarter Statement with OIR, given the timing of the completion of the loss reserve analysis.

If enacted, Senate Bill 1894 will require the FWCJUA to apply to the IRS for a determination of its eligibility as a tax-exempt entity by January 1, 2008. Thomas Howell Ferguson has advised that in order to effectively apply for the tax exemption the FWCJUA will need to have, among other things, a loss reserve analysis as of 6/30/2007.

Milliman has advised that the cost of a loss reserve analysis as of 6/30/2007 will be \$20,000. It should be noted that the cost of this additional loss reserve analysis was not contemplated within the 2007 forecast and thus, will be a 2007 out-of budget expense. Further, Milliman has indicated that it will target mid-August to get the preliminary findings related to the reserve analysis to the Committee and Board for consideration. Given such, staff is recommending that the Committee also recommend that the Board authorize staff to negotiate a delay in filing the Second Quarter Statement with OIR of no later than September 15<sup>th</sup> in lieu of August 15<sup>th</sup>.

**The Rates & Forms Committee shall determine whether to recommend that the Board authorize a 2007 out-of-budget expense of \$20,000 for Milliman to perform a loss reserve analysis as of 6/30/2007 to assist in positioning the FWCJUA to receive a favorable ruling related to its application for a federal tax exemption as required by Senate Bill 1894, if enacted; and if so, whether to recommend that the Board also authorize staff to negotiate a delay in filing the Second Quarter Statement with OIR of no later than September 15, 2007, given the timing of the completion of the loss reserve analysis.**

**PROGRAM TO ELIMINATE THE SUBPLAN D DEFICIT AS OF 12/31/2006**

The Rates & Forms Committee shall consider the attached draft correspondence to OIR outlining the FWCJUA's program for eliminating the 2006 Subplan D deficit.

The FWCJUA recognized a \$48,794,092 surplus in 2006. Given the FWCJUA is in a surplus position; it is not statutorily required pursuant to section 627.311(5)(g), Florida Statutes, to submit a deficit elimination plan to the Office of Insurance Regulation ("OIR"). However, with Subplan D posting a deficit, the Board previously agreed to update its plan to eliminate this individual rating plan deficit and submit said updated plan to the OIR. Staff is proposing that the filing be based upon the cash flow model updated through the May actuals that become available in mid-June and thus, that it be authorized to finalize the letter as such and submit the plan no later than June 28<sup>th</sup>, which is 90 days from the date that the audit was filed.

**The Rates & Forms Committee shall determine whether to recommend that the Board authorize staff to finalize the draft letter to OIR outlining the program to eliminate the FWCJUA's 2006 Subplan D deficit through May actuals and submit no later than June 28, 2007.**



# Florida Workers Compensation Joint Underwriting Association, Inc.

P.O. Box 48957, Sarasota, FL 34230-5957

• Tel (941) 378-7400 • Fax (941) 378-7405 • www.fwcjua.com

June 28, 2007

Mr. Kevin M. McCarty  
Commissioner  
Florida Office of Insurance Regulation  
c/o Mr. James D. Watford, A.C.A.S, M.A.A.A.  
200 East Gaines Street  
Tallahassee, Florida 32399-0308

**Re: FLORIDA WORKERS' COMPENSATION JOINT UNDERWRITING ASSOCIATION, INC.  
PROGRAM TO ELIMINATE THE 2006 SUBPLAN D DEFICIT**

Dear Mr. McCarty:

At the direction of the Board of Governors of the Florida Workers' Compensation Joint Underwriting Association, Inc., I am submitting the FWCJUA's program to eliminate the 2006 Subplan D deficit.

The FWCJUA recognized a \$48,794,092 surplus in 2006. This surplus can be broken down by subplan and tier as follows:

SUBPLAN/TIER	EFFECTIVE DATE OF SUBPLAN/TIER	2006 TOTAL SURPLUS/(DEFICIT)
Subplans A, B & C	January 1, 1994	\$39,890,318
Subplan D	July 26, 2003	(\$2,430,546)
Tier 1	July 1, 2004	\$2,069,992
Tier 2	July 1, 2004	\$2,432,075
Tier 3	July 1, 2004	\$6,832,253

Given the FWCJUA is in a surplus position; it is not statutorily required pursuant to section 627.311(5)(g), Florida Statutes, to submit a deficit elimination plan to the Office of Insurance Regulation ("OIR"). However, with Subplan D posting a deficit, the FWCJUA is updating its plan to eliminate this individual rating plan deficit and submitting said updated plan to the Office of Insurance Regulation ("OIR").

The FWCJUA currently has on file with the OIR a program to eliminate the 2005 Subplan D deficit that relies on the use of monies from the contingency reserve and below-the-line assessments. The 2005 program relied on a cash flow model that has already been updated to recognize the 2006 Subplan D deficit and thus, is used again as our program to eliminate the entire Subplan D deficit. Pursuant to Milliman's enclosed Subplan D cash flow model as of May 31, 2007, the total state funds needed to fund the Subplan D obligations through the contingency reserve are approximately \$\_\_\_ million. This is \$\_\_\_ less than the \$7.9 million already received; and thus, no additional cash needs are anticipated.

Please feel free to contact me should you have any questions regarding the foregoing program to eliminate the FWCJUA's 2006 Subplan D deficit.

Respectfully submitted,

Florida Workers' Compensation Joint Underwriting Association, Inc.

Laura S. Torrence  
Executive Director

Enclosure

c: FWCJUA Board of Governors  
Tom Maida, General Counsel

**BOARD OF GOVERNORS:** Ray Neff, *Chair*; Patrick Cannassa; Dan Dannenhauer;  
Rick Hodges; Craig Johnson; Bob Milligan; Elissa Pacheco; Claude Revels; Beth Vecchioli

**RETURN OF PREMIUM DIVIDEND**

The Rates & Forms Committee shall consider whether to recommend that the Board declare a return of premium dividend for the 2001, 2002 and 2003 policy years.

Earlier this year, the Rates & Forms Committee suggested that the Board consider identifying a reasonable philosophy for declaring dividends while retaining an appropriate surplus for future use. A possible approach might be to retain investment income for future use and to return a portion of the individual subplans and tiers underwriting income for the more mature years. Monies retained for future use would reasonably ensure that there would be sufficient funds to pay any unexpected losses and could provide the FWCJUA with options related to reinsurance attachment points, contingency and surplus factors utilized in rate making, etc. Ultimately, by establishing a reasonable methodology for declaring dividends while retaining an appropriate surplus for future use, the FWCJUA better positions itself to more readily declare appropriate dividends. The Rates & Forms Committee also recommended that if a dividend was declared, it be paid to policyholders based on a combination of individual loss experience and a proportion of premiums paid.

Again, it should be noted that the FWCJUA's statutory surplus as of 12/31/2006 is \$48,794,092 (10.4% of its \$470,459,429 gross earned premium) while its actual surplus as of 12/31/2006 is \$50,982,003 (10.7% of its \$470,459,429 gross earned premium). Further, section 627.311(5), Florida Statutes, provides the following:

627.311(5)(d)4. The plan may offer rating, dividend plans, and other plans to encourage loss prevention programs.

627.311(5)(h) Any premium or assessments collected by the plan in excess of the amount necessary to fund projected ultimate incurred losses and expenses of the plan and not paid to insureds of the plan in conjunction with loss prevention or dividend programs shall be retained by the plan for future use.

With regard to the timing of the required payment of a declared dividend following the establishment of such a liability, it should be noted that normally payment occurs by the end of the next tax year, but that it is not a hard and fast rule. Once a dividend is declared and a determination is made how payments will be distributed, the FWCJUA would need to seek OIR approval. It was previously noted by our auditor that he has seen a company take a deduction 3 years prior to actually distributing payments because it took the OIR that long to agree to the allocation of the dividend. Thus, the FWCJUA is permitted by code to deduct the dividend when it is declared, even though the dividend may not be paid in the year declared. Thus, a dividend declaration in second quarter 2007 will impact the FWCJUA's 2007 financials, including its federal income tax liability. Further, the federal tax recovery for a dividend declaration prior to 7/1/2007 would be roughly calculated at 35% of the dividend declaration.

At its March 13<sup>th</sup> meeting, the Board instructed staff to investigate the possibility of declaring a dividend for the 2001, 2002 and 2003 policy years, giving consideration to the proper seasoning of losses; a reasonable surplus; and the monies borrowed from the contingency reserve. Staff was also asked to identify a recommended dividend amount and allocation as well as the methodology used to determine the individual policyholder dividend for presentation to the Board at its next quarterly meeting.

Attached for the Committee's perusal is policy year income information as of 12/31/2006 developed by staff with input from Milliman and Thomas Howell Ferguson. The two exhibits differ by one assumption. What is a reasonable underwriting percentage gain for the FWCJUA? The two assumptions utilized in the exhibits are 5% and 10%. It is believed that the voluntary market is generally permitted as much as a 5% underwriting gain over a three year period in addition to the retention of investment income; but what is reasonable for a generally self-funded residual market with no guaranty fund to act as its safety net or the full financial backing of the State? Whether to declare a dividend requires this question to be answered pursuant to the Board's direction. The following tables provide two scenarios related to the potential of defining a reasonable underwriting percentage gain of 5% and 10%.

**Financial Information by POLICY YEAR**

As of December 31, 2006

	<b>LPT Years 1994 - 1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>Total</b>
<b>Gross Earned Premium</b>	203,138,109	5,252,469	12,557,503	25,389,268	61,770,638	69,023,717	66,601,122	26,726,603	470,459,429
Reinsurance Premium *	12,865,323	762,951	2,305,892	5,303,863	9,071,326	11,418,605	10,008,160	4,360,333	56,096,454
Paid Losses & LAE	90,663,318	1,581,998	1,617,529	4,800,661	12,505,764	15,644,939	8,713,008	1,785,446	137,312,663
Case Reserves	941,786	0	214,278	229,371	1,419,798	3,309,973	2,620,861	1,201,896	9,937,963
Net Underwriting Gain / (Loss)	98,667,682	2,907,520	8,419,804	15,055,373	38,773,750	38,650,200	45,259,093	19,378,928	267,112,349
<b>Net Loss Ratio w/out IBNR</b>	<b>48.1%</b>	<b>35.2%</b>	<b>17.9%</b>	<b>25.0%</b>	<b>26.4%</b>	<b>32.9%</b>	<b>20.0%</b>	<b>13.4%</b>	<b>35.5%</b>
IBNR & ULAE Reserve	3,175,420	26,888	715,890	769,011	4,740,588	11,017,718	8,766,044	3,990,458	33,202,017
Net Underwriting Gain / (Loss)	95,492,262	2,880,632	7,703,914	14,286,362	34,033,162	27,632,482	36,493,049	15,388,470	233,910,332
<b>Net Loss Ratio with IBNR</b>	<b>49.8%</b>	<b>35.8%</b>	<b>24.9%</b>	<b>28.9%</b>	<b>35.4%</b>	<b>52.0%</b>	<b>35.5%</b>	<b>31.2%</b>	<b>43.5%</b>
Uncollectible Premium	38,940,747	1,069,802	3,520,624	1,879,326	10,678,370	11,638,822	6,158,775	361,626	74,248,092
% of Gross Earned Premium	19.2%	20.4%	28.0%	7.4%	17.3%	16.9%	9.2%	1.4%	15.8%
Other Underwriting Expenses	43,616,269	2,601,074	3,046,710	5,578,435	17,035,468	17,252,544	14,442,410	6,508,139	110,081,049
Misc Income / (Expense)	(9,478,206)	405,370	984,853	126,033	249,831	259,839	146,816	143,820	(7,161,645)
Federal Income Taxes	8,142,068	(105,338)	933,088	2,930,502	2,921,083	1,107,861	7,354,846	3,251,288	26,535,398
<b>Underwriting Gain / (Loss)</b>	<b>(4,685,028)</b>	<b>(279,536)</b>	<b>1,188,345</b>	<b>4,024,131</b>	<b>3,648,071</b>	<b>(2,106,906)</b>	<b>8,683,834</b>	<b>5,411,237</b>	<b>15,884,148</b>
<b>% of Underwriting Gain/(Loss) / Gross Earned Premium</b>	<b>-2.3%</b>	<b>-5.3%</b>	<b>9.5%</b>	<b>15.8%</b>	<b>5.9%</b>	<b>-3.1%</b>	<b>13.0%</b>	<b>20.2%</b>	<b>3.4%</b>
<b>Reasonable % "Underwriting Gain"</b>		<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	
<b>Reasonable \$ "Underwriting Gain"</b>		<b>262,623</b>	<b>627,875</b>	<b>1,269,463</b>	<b>3,088,532</b>	<b>3,451,186</b>	<b>3,330,056</b>	<b>1,336,330</b>	<b>13,366,066</b>
<b>Excess "Underwriting Gain"</b>		<b>(542,159)</b>	<b>560,470</b>	<b>2,754,668</b>	<b>559,539</b>	<b>(5,558,092)</b>	<b>5,353,778</b>	<b>4,074,906</b>	<b>7,203,110</b>
<b>% of Excess Underwriting Gain/(Loss) / Gross Earned Premium</b>		<b>-10.3%</b>	<b>4.5%</b>	<b>10.8%</b>	<b>0.9%</b>	<b>-8.1%</b>	<b>8.0%</b>	<b>15.2%</b>	<b>2.7%</b>
<i>Estimated Investment Income</i>	20,691,172	83,908	544,532	1,418,230	1,776,798	1,582,438	2,490,126	626,871	29,214,075
<b>Total Net Income / (Loss)</b>	<b>16,006,144</b>	<b>(195,628)</b>	<b>1,732,877</b>	<b>5,442,361</b>	<b>5,424,869</b>	<b>(524,468)</b>	<b>11,173,960</b>	<b>6,038,108</b>	<b>45,098,223</b>
<b>% of Total Net Income / Gross Earned Premium</b>	<b>7.9%</b>	<b>-3.7%</b>	<b>13.8%</b>	<b>21.4%</b>	<b>8.8%</b>	<b>-0.8%</b>	<b>16.8%</b>	<b>22.6%</b>	<b>9.6%</b>
Total Policies Written	36,147	522	662	1,140	4,178	5,434	4,991	3,875	56,949
Total Claims Reported	5,463	86	120	229	656	727	466	190	7,937
Total Open Claims as of 12/31/06	17	0	3	3	23	57	102	78	283

\* No Reinsurance for AY 1994 claims

\* 2004 & 2005 - reduced by \$ rec'd from the DOL Trust Fund



<b>RETAIN INVESTMENT INCOME &amp; RETURN EXCESS UNDERWRITING GAIN OF 5%</b>				
	2001	2002	2003	2001 - 2003
Beginning Actual Surplus	1,732,877	5,442,361	5,424,869	12,600,107
<b>Declared Dividend</b>	<b>560,470</b>	<b>2,754,668</b>	<b>559,539</b>	<b>3,874,677</b>
Maximum Possible Federal Tax Recovery	<u>196,165</u>	<u>964,134</u>	<u>195,839</u>	<u>1,356,137</u>
Ending Surplus	1,368,572	3,651,827	5,061,169	10,081,567

<b>RETAIN INVESTMENT INCOME &amp; RETURN EXCESS UNDERWRITING GAIN OF 10%</b>				
	2001	2002	2003	2001 - 2003
Beginning Actual Surplus	1,732,877	5,442,361	5,424,869	12,600,107
<b>Declared Dividend</b>	<b>0</b>	<b>1,485,205</b>	<b>0</b>	<b>1,485,205</b>
Maximum Possible Federal Tax Recovery	<u>0</u>	<u>519,822</u>	<u>0</u>	<u>519,822</u>
Ending Surplus	1,732,877	4,476,978	5,424,869	11,634,724

Another consideration for the Committee is whether it is appropriate to release any surplus through a dividend declaration prior to identifying and defining the impact of the anticipated enactment of Senate Bill 1894 and House Bill 7169, which will substantially affect the governance and operations of the association? Undeniably, there will be an increase in expenses to implement the new law, both initial expenses and ongoing expenses. Escheat issues may also be a greater cause for concern given the new law permits the use of surplus across the various rating subplans and tiers to resolve any deficits. Also, Senate Bill 1894 will require any State funds received by the FWCJUA in excess of the amount necessary to fund the deficit in Subplan "D" to be returned to the State. In the end, it may be advisable to delay declaring any policyholder dividends until the impact of Senate Bill 1894 and House Bill 7169 on the FWCJUA is fully understood and priced out. The most significant downside to delaying a dividend declaration beyond 6/30/2007 is that the FWCJUA would no longer qualify for a federal tax recovery of up to approximately 35% of the dividend declaration.

**The Rates & Forms Committee shall determine whether to recommend that the Board consider a return of premium dividend to policyholders at this time.**

**Financial Information by POLICY YEAR**

As of December 31, 2006

	<b>LPT Years 1994 - 1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>Total</b>
<b>Gross Earned Premium</b>	203,138,109	5,252,469	12,557,503	25,389,268	61,770,638	69,023,717	66,601,122	26,726,603	470,459,429
Reinsurance Premium *	12,865,323	762,951	2,305,892	5,303,863	9,071,326	11,418,605	10,008,160	4,360,333	56,096,454
Paid Losses & LAE	90,663,318	1,581,998	1,617,529	4,800,661	12,505,764	15,644,939	8,713,008	1,785,446	137,312,663
Case Reserves	941,786	0	214,278	229,371	1,419,798	3,309,973	2,620,861	1,201,896	9,937,963
Net Underwriting Gain / (Loss)	98,667,682	2,907,520	8,419,804	15,055,373	38,773,750	38,650,200	45,259,093	19,378,928	267,112,349
<b>Net Loss Ratio w/out IBNR</b>	<b>48.1%</b>	<b>35.2%</b>	<b>17.9%</b>	<b>25.0%</b>	<b>26.4%</b>	<b>32.9%</b>	<b>20.0%</b>	<b>13.4%</b>	<b>35.5%</b>
IBNR & ULAE Reserve	3,175,420	26,888	715,890	769,011	4,740,588	11,017,718	8,766,044	3,990,458	33,202,017
Net Underwriting Gain / (Loss)	95,492,262	2,880,632	7,703,914	14,286,362	34,033,162	27,632,482	36,493,049	15,388,470	233,910,332
<b>Net Loss Ratio with IBNR</b>	<b>49.8%</b>	<b>35.8%</b>	<b>24.9%</b>	<b>28.9%</b>	<b>35.4%</b>	<b>52.0%</b>	<b>35.5%</b>	<b>31.2%</b>	<b>43.5%</b>
Uncollectible Premium	38,940,747	1,069,802	3,520,624	1,879,326	10,678,370	11,638,822	6,158,775	361,626	74,248,092
% of Gross Earned Premium	19.2%	20.4%	28.0%	7.4%	17.3%	16.9%	9.2%	1.4%	15.8%
Other Underwriting Expenses	43,616,269	2,601,074	3,046,710	5,578,435	17,035,468	17,252,544	14,442,410	6,508,139	110,081,049
Misc Income / (Expense)	(9,478,206)	405,370	984,853	126,033	249,831	259,839	146,816	143,820	(7,161,645)
Federal Income Taxes	8,142,068	(105,338)	933,088	2,930,502	2,921,083	1,107,861	7,354,846	3,251,288	26,535,398
<b>Underwriting Gain / (Loss)</b>	<b>(4,685,028)</b>	<b>(279,536)</b>	<b>1,188,345</b>	<b>4,024,131</b>	<b>3,648,071</b>	<b>(2,106,906)</b>	<b>8,683,834</b>	<b>5,411,237</b>	<b>15,884,148</b>
<b>% of Underwriting Gain/(Loss) / Gross Earned Premium</b>	<b>-2.3%</b>	<b>-5.3%</b>	<b>9.5%</b>	<b>15.8%</b>	<b>5.9%</b>	<b>-3.1%</b>	<b>13.0%</b>	<b>20.2%</b>	<b>3.4%</b>
<b>Reasonable % "Underwriting Gain"</b>		<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	
<b>Reasonable \$ "Underwriting Gain"</b>		<b>525,247</b>	<b>1,255,750</b>	<b>2,538,927</b>	<b>6,177,064</b>	<b>6,902,372</b>	<b>6,660,112</b>	<b>2,672,660</b>	<b>26,732,132</b>
<b>Excess "Underwriting Gain"</b>		<b>(804,783)</b>	<b>(67,405)</b>	<b>1,485,205</b>	<b>(2,528,993)</b>	<b>(9,009,278)</b>	<b>2,023,722</b>	<b>2,738,576</b>	<b>(6,162,956)</b>
<b>% of Excess Underwriting Gain/(Loss) / Gross Earned Premium</b>		<b>-15.3%</b>	<b>-0.5%</b>	<b>5.8%</b>	<b>-4.1%</b>	<b>-13.1%</b>	<b>3.0%</b>	<b>10.2%</b>	<b>-2.3%</b>
<i>Estimated Investment Income</i>	<i>20,691,172</i>	<i>83,908</i>	<i>544,532</i>	<i>1,418,230</i>	<i>1,776,798</i>	<i>1,582,438</i>	<i>2,490,126</i>	<i>626,871</i>	<i>29,214,075</i>
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