

## **Bullet Points for Amendment #598933**

### SECTION 1

This section states that a construction services provider who is listed on the workers' compensation exemption registry is not an "employee" if such provider is working in the service of the business entity through which the provider obtained such an exemption.

### SECTION 2

This section clarifies that any person who has a workers' compensation exemption shall not be within the scope of the workers' compensation chapter.

### SECTION 3

Current law (Public Chapter 1149) defines "engaged in the construction industry" as a person assigned to the contracting group as designated by the department of commerce and insurance. This section clarifies that if more than one classification applies, the governing classification shall be used to determine whether the person or entity is engaged in the construction industry.

### SECTION 4

This section clarifies that a construction services provider performing work directly for the owner of the property is exempt from the requirements that he or she be covered under a workers' compensation policy of insurance; provided, that such exemption shall not apply to any provider who acts as a general or intermediate contractor and who subsequently subcontracts any of the work contracted to be performed on behalf of the owner.

### SECTION 5

Currently, only 3 officers of a corporation may be eligible for a workers compensation exemption. This bill increases that number to 5. Currently, only partners of a partnership or members of an LLC may be eligible for an exemption if they own at least 30% of the partnership or company. This bill decreases the required ownership to 20%. Currently, a construction services provider who has an exemption but is associated with multiple business entities may only obtain one exemption, regardless of the number of business entities for which the provider may be associated. This bill removes this restriction.

### SECTION 6

This section clarifies that a construction services provider's exemption revocation is mandatory instead of permissive if certain circumstances exist, such as the provider failed to pay workers' compensation premium.

### SECTION 7

This section states that if a construction services provider's license is revoked, whether or not such license is in the provider's individual name or in the name of a business entity through which the provider obtained an exemption, all exemptions obtained through such business entity shall be revoked.

## SECTION 8

This section states that if a construction services provider has failed to pay workers' compensation premium, then any exemption obtained through such business entity shall be revoked and all exemptions in the provider's name shall be subject to revocation.

## SECTION 9

Currently, a construction services provider shall have a common law right of action if Such provider is listed on the registry and meets certain other requirements. This section clarifies that a construction services provider shall have such right if the provider is listed on the registry and working in the service of the business entity through which the provider obtained such an exemption.

## SECTION 10

This section sets the fee for issuance of a second or subsequent workers' compensation exemption at \$20. It also sets the fee for renewal of a second or subsequent workers' compensation exemption at \$20.

## SECTION 11

Currently, no more than 3 construction services providers who are performing direct labor on a commercial construction project may be exempt. This section clarifies that the 3 construction services providers who may be exempt shall be the 3 that are selected by the general contractor and shall be individuals working in the service of a business entity through which the construction services provider obtained such an exemption. This section also requires that the general contractor allowing a provider to utilize an exemption shall notify each provider using an exemption that the provider has been chosen as one of the providers who may utilize an exemption, and the general contractor shall maintain a record identifying such.

## SECTION 12

This section clarifies that the section addressing the implementation of Public Chapter 1149 applies prior to March 1, 2011.

## SECTION 13

This section requires that any insurance policy that is canceled as a result of a construction services provider obtaining an exemption pursuant to this act shall be cancelled as if the insured were retiring, i.e., cancelled with no penalty.