



# Florida Workers Compensation Joint Underwriting Association, Inc.

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## AUTHORIZED AGENCIES & DESIGNATED PRODUCERS BULLETIN 22-8

**TO:** FWCJUA Authorized Agencies & Designated Producers  
**FROM:** Michael Cleary, Operations Manager  
**DATE:** August 24, 2022  
**RE:** **VOLUNTARY MARKET DECLINATION REQUIREMENTS**

This bulletin serves to provide further clarification on voluntary market declination requirements at either application or renewal.

1. Two valid declinations are required and the declining Insurers may not be affiliated.
2. A declining Insurer must be actively writing workers compensation insurance in Florida in the one basic classification code that best describes the business of the employer. The Florida Division of Workers Compensation, Coverage Assistance Program (CAP) at <https://minimarket.fldfs.com> can be used as a resource to identify Insurers that may actively write the employer's classification code. *If an Insurer advises it no longer writes a class code for new business even though CAP shows active policies, a declination from that Insurer will be deemed invalid.*
3. A valid declination must provide information that permits the FWCJUA to verify the validity of the declination and such documentation at a minimum should provide the following:
  - a. Name and contact information for the declining Florida-licensed workers compensation Insurer, or
  - b. Name and contact information for the declining Florida-licensed workers compensation Insurer's Managing General Agent (MGA) holding an active appointment-only status in Florida, or
  - c. Declining Insurer Representative's name and contact information, and
  - d. Date of declination, which is not necessarily the date of the letter of declination, and
  - e. Reason for declination with specificity. *Note: The FWCJUA will accept "does not meet our underwriting guidelines," for a declination reason, provided at time of validation the Insurer verifies that the declination was not solely due to the class code or nature of operations given the reason is fairly broad and still somewhat undefined.*
4. If a third-party insurance agency, insurance broker or MGA is used to secure a declination for the employer by the Agency, the declination must provide the information listed above and should be confirmed by the submitting Agency prior to presentation to the FWCJUA. An MGA appointment-only status may be confirmed at <https://licenseesearch.fldfs.com>.
5. A valid declination may be in the form of an email message or a formal letter and is not required to be addressed to the submitting Agency, but its validity should be confirmed by the submitting Agency prior to presentation to the FWCJUA.

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6. A valid declination must be associated with a voluntary market application that will be no more than 60 days old at the time of the binding of coverage by the FWCJUA. For renewal policies, a voluntary market search should be conducted prior to policy renewal as this is in the best interest of the Employer; however, the FWCJUA will accept declinations that are secured during the 30-day period given for the renewal declination review process provided they are valid and issued within the past 300 calendar days.

On every declination that appears to be valid, the FWCJUA will contact the Insurer or its licensed MGA to verify the preceding information.

Often times, wholesalers, MGAs and brokers are used by many Authorized Agencies when trying to place Employers in the voluntary market. These situations are fine as long as the Authorized Agency confirms that the third party actually submits the Employer's application to the Insurer and the declination is for a valid reason. It does not matter to the FWCJUA if the document is addressed to the Authorized Agency, as we focus on the following when validating declinations:

1. Did the declination originate from an Insurer licensed to write workers' compensation in Florida or its licensed MGA, and is the Insurer affiliated with the other declining Insurer;
2. the entity or entities declined;
3. the date of application;
4. the date of declination; and
5. the reason for the declination.

Further, the FWCJUA will not accept declinations that have simply been reissued by the Insurer with a new date. Again, a valid declination is one that is associated with a voluntary market application that will be no more than 60 days old at the time of binding. For renewal policies, a voluntary market search should be conducted prior to policy renewal as this is in the best interest of the Employer; however, the FWCJUA will accept declinations that are secured during the 30-day period given for the renewal declination review process provided they are valid and issued within the past 300 calendar days. Thus, it is important to ensure that for application submissions, you submit the FWCJUA application with sufficient time to get through the underwriting process. Otherwise, you may be asked to secure additional declinations prior to the binding of FWCJUA coverage.

**We want to make it perfectly clear that any alteration made to a declination issued by an Insurer or the Insurer's licensed MGA by anyone from an authorized Agency is unacceptable and considered a material misrepresentation. Further, any bogus declination that is provided to the FWCJUA is unacceptable and considered a material misrepresentation. Upon confirmation of an altered/falsified declination, the FWCJUA will initiate revocation of the Designated Producer's and Agency's authorization.**

Should you have any questions concerning the above, please do not hesitate to contact our office at (941) 378-7400 or send an email to the FWCJUA at [underwriting@fwcjua.com](mailto:underwriting@fwcjua.com).