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STATE OF NEW YORK  
WORKERS' COMPENSATION BOARD  
20 PARK STREET  
ALBANY, NY 12207



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CHAIR

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To all Code Enforcement Officials, Building Departments, and Municipal Entities:

Effective January 18, 1999, Section 125 of the General Municipal Law requires that any individual applying for a building permit must prove to the building department that he/she is in compliance with the mandatory coverage provisions of the Workers' Compensation Law before the building permit is issued.

### General Background

Under Section 57 of the Workers' Compensation Law, businesses listed as the general contractors on building permits are required to submit proof of compliance with the mandatory coverage provisions of the Workers' Compensation Law to the building department before a building permit is issued. Section 125 of the General Municipal Law is specifically targeted at ensuring that all applicants who list themselves as the general contractors on the building permit are in compliance with the mandatory coverage provisions of the Workers' Compensation Law.

For homeowner applicants, the instruction manual includes a link to form BP-1 Affidavit of Exemption to Show Specific Proof of Workers' Compensation Coverage for a 1, 2, 3 or 4 Family, Owner-occupied Residence. The law requires homeowners to provide proof of workers' compensation compliance when applying for a building permit. If the homeowner qualifies for an exemption, the homeowner must either complete this form and file it with the local building department; or the homeowner must complete Form CE-200 and file it with the local building department.

### Implementing Section 125 of the General Municipal Law

#### 1. General contractors and Business Owners

Businesses listed as the general contractors on building permits, must prove that they are in compliance with the mandatory coverage requirements and also Section 57 of the Workers' Compensation Law (WCL) by producing ONE of the following forms indicating that they are:

- insured (Form C-105.2 or U-26.3 – the business's insurance carrier will send this form to the building department upon the business's request) All private carriers and their licensed insurance agents are authorized to issue the form C-105.2 as their Certificate of NYS Workers' Comp Insurance. The State Insurance Fund uses the U-26.3 form as its Certificate of NYS Workers' Compensation Insurance.
- self-insured (Form SI-12 -- Certificate of Workers' Compensation Self-Insurance (the business calls the Board's Self-Insurance Office at 518-402-0247), **OR** Form GSI-105.2 -- Certificate of Participation in Workers' Compensation Group Self-Insurance) (the business's Group Self-Insurance Administrator will send this form to the government entity upon request).
- exempt (Form CE-200 – {Form CE-200 is available on the Board's website, [www.wcb.state.ny.us](http://www.wcb.state.ny.us), under the heading "Forms." Paper applications for this form are available by writing or visiting any Customer Service Center at any District Office of the Workers' Compensation Board.}

Any residence that is not a 1, 2, 3, or 4 Family, Owner-occupied Residence is considered a business (income or potential income property) and must prove compliance by filing one of the above forms. **(Please note: ACORD forms are NOT acceptable proof of workers' compensation coverage!)**

## 2. *Owner-occupied Residences*

Homeowners of a 1, 2, 3, or 4 Family, Owner-occupied Residence, must file form BP-1 when applying for a building permit when they are:

- listed as the general contractor on the building permit, and the homeowner:
  - is performing all the work for which the building permit was issued him/herself,
  - is not hiring, paying or compensating in any way, the individual(s) that is (are) performing all the work for which the building permit was issued or helping the homeowner perform such work, or
  - has a homeowner's insurance policy that is currently in effect and covers the property for which the building permit was issued AND the homeowner is hiring or paying individuals a total of less than 40 hours per week (aggregate hours for all paid individuals on the jobsite) for the work for which the building permit was issued.
  
- If the homeowner of a 1, 2, 3, 4 Family, Owner-occupied Residence is hiring or paying individuals a total of 40 hours or MORE in any week (aggregate hours for all paid individuals on the jobsite) for the work for which the building permit was issued, then the homeowner may NOT file the "Affidavit of Exemption" form, BP-1, but must either:
  - acquire appropriate workers' compensation coverage and provide, to the government entity issuing the building permit, appropriate proof of that coverage, on forms C-105.2 or U-26.3, OR
  - have the general contractor performing the work provide appropriate proof of workers' compensation coverage, or proof of exemption from that coverage, to the government entity issuing the building permit.

### **Background on Coordinating the Implementation of Section 125 of the General Municipal Law with Existing Statutes**

To ensure that homeowners are not required to have duplicate workers' compensation coverage, the implementation form attempts to coordinate compliance with Section 125 of the Municipal Law with coverage provided under Section 3420(j) of the Insurance Law, which is the homeowner's policy's workers' compensation insurance rider.

As of March 1, 1985, New York State Insurance Law § 3420(j) provides that every policy of comprehensive personal liability insurance (i.e., homeowner's insurance) on a 1, 2, 3, or 4 Family owner-occupied dwelling (including condominiums) will also provide workers' compensation benefits. This section was added to protect the homeowner from unexpected liability when the Board determines that a person, whom the homeowner did not believe required coverage, is found to be entitled to benefits. To receive benefits under this policy, the employee must be found by the Board to have been injured in employment of the policyholder and employed for less than 40 hours a week in and about the owner's 1, 2, 3, 4 family residence in this State.

Form [BP-1](#) is available on the Board's website, [www.wcb.state.ny.us](http://www.wcb.state.ny.us), under the heading "Forms." Please make as many copies of the BP-1 as you require. The BP-1 form reflects the minimum standard to be applied statewide. If a municipality wishes to collect a copy of the certificate of insurance from a building permit applicant's homeowner's insurance policy or obtain a copy of the information page from the building permit applicant's homeowner's insurance policy, the municipality could make that a local requirement which would be in addition to the State requirement.

If you have any questions regarding the BP-1 form, Section 125 of the General Municipal Law or Section 57 of the Workers' Compensation Law, please contact Steve Carbone of the New York State Workers' Compensation Board at (518) 486-6307.

Thank you for your office's cooperation in enforcing Section 125 of the General Municipal Law and Section 57 of the Workers' Compensation Law.

Sincerely,

Peter Michels  
Director of Compliance