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Providing insurance services and products to enable our clients to focus on the things that matter. We pride ourselves on helping our clients not to have to worry about managing the risk.

Workers' Compensation

In accordance with individual state worker's compensation rules, contractors may be held liable for injuries to the employee's of subcontractors if those subcontractors do not carry their own worker's compensation policies. As your worker's compensation insurance carrier, the carrier is entitled to collect premium for payments made by you to uninsured subcontractors, as if they were your employees. The premium basis used to calculate this charge will be the actual payroll for the employees of the uninsured contractors at the appropriate designated rate for the type of work that the contractor does. If payroll records are not available, the carrier will use the subcontract price as the premium basis, subject to the following:

- ✓ If the subcontract price does not reflect a definite payroll amount, the carrier will use the full price for the work performed during the policy period as payroll.
- ✓ If the subcontract price does not reflect a definite payroll amount, the carrier will use the amount indicated subject to the following:

If the job involves:

- ✓ Mobile equipment with operators: the carrier will use not less than 1/3 of the contract price.
- ✓ Labor only: the carrier will use not less than 90% of the contract price.
- ✓ Labor and materials: the carrier will use not less than 50% of the contract price
- ✓ Piecework: the carrier will use 100% of the contract price.

Additionally, Massachusetts Bureau circular 2057, released June 25, 2007, discusses subcontractors who are sole proprietors or partners who do not elect to be covered on their own policy, and how these elections may affect your premium. For individuals with no additional employees, premium will be charged if the carrier determines there to be an employer-employee relationship. Also, whether or not an individual or partner(s) has elected to be covered (as shown on their WC certificate of insurance) may be cause for the inclusion of the contract amount as if it were payroll of your business, and subject to premium charge. General liability insurance certificates and/or written agreements are not sufficient as evidence of independent contractor status. In making the determination, the carrier will consider the frequency of work, method of payment, type of work performed, extent of control, who supplied the tools and other factors.

To avoid billing issues, workers' compensation certificates of insurance should be obtained annually from all of your subcontractors. Failure to pay premium for uninsured subcontractors may result in cancellation of your policy.