October 3, 2008

CIRCULAR LETTER #222

MICHIGAN WORKERS’ COMPENSATION PLACEMENT FACILITY (MWCPF)
INDEPENDENT CONTRACTOR WORKSHEET

It has been an accepted practice in the residual market to consider a sole proprietor without employees as an independent contractor, if a Certificate of Insurance (COI) for the individual is presented. **Effective July, 1, 2009, this practice will cease in the residual market** (on new and renewal policies as of that date). In order for a sole proprietor without employees to be considered for independent contractor status, the MWCPF Independent Contractor Worksheet must be completely filled out and supplied to the entity undergoing a workers compensation audit.

Attached is a copy of the worksheet. As indicated on the worksheet, additional information may be requested to determine independent contractor status.

Sincerely,

Gary L. Thompson
MICHIGAN WORKERS’ COMPENSATION PLACEMENT FACILITY
INDEPENDENT CONTRACTOR WORKSHEET

TO BE COMPLETED BY THE INDEPENDENT CONTRACTOR

Policyholder Name form is being filled out for: ________________________________

Subcontractor Name: ______________________________________________________

Doing Business As (DBA): __________________________________________________
If DBA is filed, attach a copy.

1. I operate as a: ☐ Sole Proprietor ☐ Partnership ☐ Corporation ☐ Limited Liability Company

   Note: If indicating Partnership, Corporation or Limited Liability Company, a Certificate of Workers’ Compensation Insurance or a properly filed Form BWC-337 must be submitted.

2. The type of work I perform can be described as: ________________________________

3. I hire employees or casual laborers to complete work for the named policyholder:
   ☐ Yes  _______ Number hired (Attach Certificate of Workers’ Compensation Insurance)
   ☐ No  Form 1040 SCHEDULE C (Profit or Loss from Business) may be provided as verification.

4. I hire subcontractors to complete work for the named policyholder: ☐ Yes ☐ No
   If yes, additional information may be required.

5. I have General Liability coverage: ☐ Yes ☐ No
   If yes, a Certificate of General Liability Insurance is required.

6. To validate my standing as an independent contractor, I state that I do not exclusively depend upon the payments of the named policyholder and have worked for the following general contractors or clients during the past twelve months.

   NAME     CITY    TELEPHONE
   1. ________________________________________________________________
   2. ________________________________________________________________
   3. ________________________________________________________________

I acknowledge that as a sole proprietor, I am by law not covered by or subject to the Workers’ Disability Compensation Act.

I certify the above represents a true and complete statement of my status as an Independent Contractor. I understand a company representative may verify this statement at any time. If requested, I agree to provide documentation to verify my status as a sole proprietor.

Signed: ____________________________________________ Date: ______________
   (Independent Contractor)

Phone Number: __________________________ Email Address: __________________________
   (Required)

This form is utilized as a test of the above individual’s independent status. By completing this form, it does not automatically remove the above individual’s exposure from the audit of the policy period in question. Additional information may be required. If independent status is proven, the exposure will not be charged.

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