

**MICHIGAN WORKERS' COMPENSATION PLACEMENT FACILITY**

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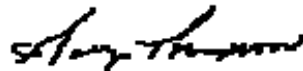
April 12, 2006

**CIRCULAR LETTER # 207**

**MICHIGAN WORKERS' COMPENSATION PLACEMENT FACILITY  
SUBCONTRACTOR STATEMENT**

Effective June 1, 2006, the attached Subcontractor Statement will be a required part of the Application for Coverage submitted to the Michigan Workers' Compensation Placement Facility. The Subcontractor Statement is a guideline for information the employer will have to present when their Assigned Risk Workers' Compensation Policy is audited. It is important to note this is a guideline and not a definitive list of information needed at audit. Additional information, in addition to that discussed on the form, may be needed.

Sincerely,



Gary L. Thompson

**MICHIGAN WORKERS' COMPENSATION PLACEMENT FACILITY  
SUBCONTRACTOR STATEMENT**

Criteria used to determine subcontractor status vary from situation to situation. Refer to Rule IX. F. SUBCONTRACTORS in the Basic Manual for Workers' Compensation and Employers Liability Insurance (1997 Edition). At a minimum (additional information may be required), the following information must be supplied on each subcontractor who is a sole proprietor with no employees (claiming to be an independent contractor) you use during the course of a given policy period:

1. A written statement that the sole proprietor has no one working for him/her.
2. A copy of printed business material (advertisement, certificate of general liability insurance, filed dba or assumed name document, business card, etc.) used by the subcontractor in the operation of his/her business.
3. A list of other entities the sole proprietor has worked for in the past 6 months.

In the case of over-the-road, long-haul truck drivers, subcontractors who are sole proprietors must provide:

1. A written statement that the sole proprietor has no one working for him/her.
2. A written statement that the sole proprietor owns his/her own vehicle (tractor and/or trailer).

In all cases where the subcontractor is a sole proprietor with employees, a partnership, corporation, LLC or other entity, a valid certificate of workers compensation insurance or a properly filed BWC 337 (if the entity is qualified) form must be provided. Failure to provide this information on subcontractors will result in additional premium being charged at audit.

**IT MUST BE UNDERSTOOD BY INDIVIDUALS USING THIS DOCUMENT TO DECLARE THEIR INDEPENDENT CONTRACTOR STATUS: THEY ARE NOT ELIGIBLE FOR WORKERS COMPENSATION BENEFITS PROVIDED BY POLICIES WRITTEN TO PROTECT ENTITIES THEY WORK FOR. ALSO, MEETING THE REQUIREMENTS OF THIS DOCUMENT IS NOT AN ATTEMPT TO EVADE THE WORKERS' COMPENSATION LAWS OF THE STATE OF MICHIGAN, NOR IS IT GIVING UP THE RIGHT TO WORKERS COMPENSATION COVERAGE; IT IS A STATEMENT OF FACT IN SUPPORT OF DECLARING INDEPENDENT CONTRACTOR STATUS IN CONJUNCTION WITH SECTION 418.161(n) OF THE STATE OF MICHIGAN, WORKERS' DISABILITY COMPENSATION, ACT 317 OF 1969.**

\_\_\_\_\_  
Employer Name and Title  
Type or Print

\_\_\_\_\_  
Date

\_\_\_\_\_  
\* Signature (Corporate Officer, General Partner  
(Individual Proprietor, Member or Manager of LLC)

\* If a person other than those listed has signed this application, attach a copy of the power of attorney or other legal document assigning authority for signature.

**THIS SUBCONTRACTOR STATEMENT IS PART OF THE APPLICATION AND MUST BE SUBMITTED WITH THE APPLICATION.**