

DOCUMENTATION FOR SUBCONTRACTORS

Protect your business when you use subcontractors by ensuring that they are in compliance with the Colorado Workers' Compensation Act.

Subcontractors with workers

Ensure that your subcontractor is in compliance by obtaining certificates of workers' compensation insurance valid during your policy period.

Ensure that the certificates of insurance are valid. Refer to the sample certificate and look for the following:

- Certificate comes from the producer — either the agent or the insurance company — not the subcontractor
- Name of the insured is the subcontractor you are paying. If a professional employers' organization (PEO) or leasing company is listed as the insured, the subcontractor's name should appear at the bottom of the certificate (2A) in the description of operation box
- Certificate shows a policy number for a workers' compensation policy and not a notation of applied for, pending or to be determined
- Dates of policy cover the time the subcontractor works for you
- You are listed as the certificate holder
- Certificate was issued within a few days of your request

Independent contractors

To be considered an independent contractor, per the Colorado Workers' Compensation Act, the individual must be engaged in an independent trade, occupation or service; must be free from control; and have no workers. Each situation is unique, and independent contractor status can vary.

The following documentation can be used to support independent contractor status:

- General liability certificates of insurance
- Pinnacol independent contractor forms
- Signed contracts

Documentation and audits

Documentation will be examined when your policy is audited. The audit will verify the status of each subcontractor and independent contractor. To conduct the audit of subcontractors, the auditor will need to examine records to show the names of and amounts paid to each subcontractor, including independent contractors. Records that provide this information are the profit and loss statement, general ledger, 1099 and 1096 forms, income tax returns, and/or vendor reports.



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