

DEFINITION OF EMPLOYEE

The term “employee” is broadly defined. The term “employee” includes most persons in the service of an employer under any contract of hire. It includes any person working for a salary or wages (including paid drivers, office staff, mechanics, casual help, or other employees). The law generally assumes that any person rendering service for another is an “employee”, unless the person is an independent contractor.

INDEPENDENT CONTRACTOR

An independent contractor is someone who renders service for a fixed payment for a specified result, under the control of another only as to the result of his work, and not as to the means by which the result is accomplished. Thus, whether an individual is an “independent contractor” or an “employee” often depends on the extent of control exercised over his work. Other relevant factors include: whether the individual is engaged in an independent, licensed business or distinct occupation requiring a special skill, with an opportunity for profit or loss; whether the individual has invested in tools and equipment necessary to perform the work; whether the individual himself employs helpers or other employees; whether the individual does not have a regular or semi-permanent working relationship with the person or company he is working for; and whether the individual is performing a different kind of service than the person or company he is working for.

A subhauler when operating as an “independent contractor” is not an employee of the prime carrier. However, just because a driver has a PUC permit and calls himself a “subhauler” or a “sub-subhauler” does not necessarily mean that the driver is not an “employee”. A driver is an employee unless he is an independent contractor under the guidelines outlined above.

If you need further information as to whether you are required to have workers' compensation coverage, you may contact your local Division of Labor Standards Enforcement.

FREQUENTLY USED JOB CLASSIFICATIONS

<u>CODE*</u>	<u>CLASSIFICATION</u>
7382	Bus or Limousine Operations
8810	Clerical Office Employees (if in support of PUC-regulated operations).
8742	Salespersons-outside (if in support of PUC-regulated operations).
8293	Warehouses-furniture (moving and storage van operations).

* Use the Codes and Classifications shown in your insurance policy's Declaration page if not shown above.

**REFER TO THE CLASSIFICATIONS SHOWN
ON YOUR WORKERS' COMPENSATION
INSURANCE POLICY'S DECLARATION PAGE
TO BE SURE YOU ARE USING THE CORRECT
CLASSIFICATIONS.**