
SENATE BILL No. 502

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-7-5; IC 22-3.

Synopsis: Worker's compensation. Eliminates liability for failure to obtain evidence of worker's compensation coverage from a contractor or subcontractor. Repeals a provision requiring that an independent contractor obtain a certificate of exemption. Excludes executive officers of a corporation with fewer than three executive officers from the definition of "employee" for worker's compensation purposes. Requires the worker's compensation board to define "independent contractor".

Effective: Upon passage; July 1, 2004.

Merritt

January 13, 2004, read first time and referred to Committee on Pensions and Labor.

C
o
p
y



Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

C
o
p
y

SENATE BILL No. 502



A BILL FOR AN ACT to amend the Indiana Code concerning labor and industrial safety.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 22-3-2-14, AS AMENDED BY P.L.202-2001,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2004]: Sec. 14. (a) As used in this section, "person" does not
4 include an owner who contracts for performance of work on the
5 owner's owner occupied residential property.

6 (b) ~~The state; any political division thereof; any municipal~~
7 ~~corporation; any corporation; limited liability company; partnership; or~~
8 ~~person; contracting for the performance of any work exceeding one~~
9 ~~thousand dollars (\$1,000) in value by a contractor subject to the~~
10 ~~compensation provisions of IC 22-3-2 through IC 22-3-6; without~~
11 ~~exactng from such contractor a certificate from the worker's~~
12 ~~compensation board showing that such contractor has complied with~~
13 ~~section 5 of this chapter; IC 22-3-5-1, and IC 22-3-5-2, shall be liable~~
14 ~~to the same extent as the contractor for compensation; physician's fees;~~
15 ~~hospital fees; nurse's charges; and burial expenses on account of the~~
16 ~~injury or death of any employee of such contractor, due to an accident~~
17 ~~arising out of and in the course of the performance of the work covered~~



1 by such contract.

2 (c) Any contractor who shall sublet any contract for the performance
3 of any work, to a subcontractor subject to the compensation provisions
4 of IC 22-3-2 through IC 22-3-6, without obtaining a certificate from the
5 worker's compensation board showing that such subcontractor has
6 complied with section 5 of this chapter, IC 22-3-5-1, and IC 22-3-5-2,
7 shall be liable to the same extent as such subcontractor for the payment
8 of compensation, physician's fees, hospital fees, nurse's charges, and
9 burial expenses on account of the injury or death of any employee of
10 such subcontractor due to an accident arising out of and in the course
11 of the performance of the work covered by such subcontract.

12 (d) (b) The state, any political division thereof, any municipal
13 corporation, any corporation, limited liability company, partnership,
14 person, or contractor paying compensation, physician's fees, hospital
15 fees, nurse's charges, or burial expenses under this ~~section~~ **article** may
16 recover the amount paid or to be paid from any person who,
17 independently of such provisions, would have been liable for the
18 payment thereof and may, in addition, recover the litigation expenses
19 and attorney's fees incurred in the action before the worker's
20 compensation board as well as the litigation expenses and attorney's
21 fees incurred in an action to collect the compensation, medical
22 expenses, and burial expenses.

23 (e) (c) Every claim filed with the worker's compensation board
24 under this section shall be instituted against all parties liable for
25 payment. The worker's compensation board, in an award under
26 subsection (b), shall fix the order in which said parties shall be
27 exhausted, beginning with the immediate employer, and, in an award
28 under subsection (c), shall determine whether the subcontractor has the
29 financial ability to pay the compensation and medical expenses when
30 due and, if not, shall order the contractor to pay the compensation and
31 medical expenses.

32 SECTION 2. IC 22-3-2-14.5, AS AMENDED BY P.L.202-2001,
33 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 2004]: Sec. 14.5. (a) As used in this section, "independent
35 contractor" refers to a person described in IC 22-3-6-1(b)(7).

36 (b) As used in this section, "person" means an individual, a
37 proprietorship, a partnership, a joint venture, a firm, an association, a
38 corporation, or other legal entity.

39 (c) (b) An independent contractor who does not make an election
40 under IC 22-3-6-1(b)(4) or IC 22-3-6-1(b)(5) is not subject to the
41 compensation provisions of IC 22-3-2 through IC 22-3-6, and must file
42 a statement with the department of state revenue in accordance with

C
O
P
Y



1 IC 6-3-7-5 and obtain a certificate of exemption.
 2 (d) Together with the statement required in subsection (c), an
 3 independent contractor shall file annually with the department
 4 documentation in support of independent contractor status before being
 5 granted a certificate of exemption. The independent contractor must
 6 obtain clearance from the department of state revenue before issuance
 7 of the certificate.
 8 (e) An independent contractor shall pay a filing fee in the amount
 9 of fifteen dollars (\$15) with the certificate filed under subsection (g).
 10 The fees collected under this subsection shall be deposited in the
 11 worker's compensation supplemental administrative fund and shall be
 12 used for all expenses the board incurs.
 13 (f) The worker's compensation board shall maintain a data base
 14 consisting of certificates received under this section and on request
 15 may verify that a certificate was filed.
 16 (g) A certificate of exemption must be filed with the worker's
 17 compensation board. The board shall indicate that the certificate has
 18 been filed by stamping the certificate with the date of receipt and
 19 returning a stamped copy to the person filing the certificate. A
 20 certificate becomes effective as of midnight seven (7) business days
 21 after the date file stamped by the worker's compensation board. The
 22 board shall maintain a data base containing the information required in
 23 subsections (d) and (f).
 24 (h) A person who contracts for services of another person not
 25 covered by IC 22-3-2 through IC 22-3-6 to perform work must secure
 26 a copy of a stamped certificate of exemption filed under this section
 27 from the person hired. A person may not require a person who has
 28 provided a stamped certificate to have worker's compensation
 29 coverage. The worker's compensation insurance carrier of a person who
 30 contracts with an independent contractor shall accept a stamped
 31 certificate in the same manner as a certificate of insurance.
 32 (i) A stamped certificate filed under this section is binding on and
 33 holds harmless from all claims:
 34 (1) a person who contracts with an independent contractor after
 35 receiving a copy of the stamped certificate; and
 36 (2) the worker's compensation insurance carrier of the person who
 37 contracts with the independent contractor.
 38 The independent contractor may not collect compensation under
 39 IC 22-3-2 through IC 22-3-6 for an injury from a person or the person's
 40 worker's compensation carrier to whom the independent contractor has
 41 furnished a stamped certificate.
 42 SECTION 3. IC 22-3-4-13, AS AMENDED BY P.L.235-1999,

C
o
p
y



1 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 2 JULY 1, 2004]: Sec. 13. (a) Every employer shall keep a record of all
 3 injuries, fatal or otherwise, received by or claimed to have been
 4 received by his employees in the course of their employment. Within
 5 seven (7) days after the occurrence and knowledge thereof, as provided
 6 in IC 22-3-3-1, of any injury to an employee causing his death or his
 7 absence from work for more than one (1) day, a report thereof shall be
 8 made in writing and mailed to the employer's insurance carrier or, if the
 9 employer is self insured, delivered to the worker's compensation board
 10 in the manner provided in subsections (b) and (c). The insurance
 11 carrier shall deliver the report to the worker's compensation board in
 12 the manner provided in subsections (b) and (c) not later than seven (7)
 13 days after receipt of the report or fourteen (14) days after the
 14 employer's knowledge of the injury, whichever is later. An employer or
 15 insurance carrier that fails to comply with this subsection is subject to
 16 a civil penalty of fifty dollars (\$50), to be assessed and collected by the
 17 board. Civil penalties collected under this section shall be deposited in
 18 the state general fund.

19 (b) All insurance carriers, companies who carry risk without
 20 insurance, and third party administrators reporting accident information
 21 to the board in compliance with subsection (a) shall:

- 22 (1) report the information using electronic data interchange
 23 standards prescribed by the board no later than June 30, 1999; or
 24 (2) in the alternative, the reporting entity shall have an
 25 implementation plan approved by the board no later than June 30,
 26 2000, that provides for the ability to report the information using
 27 electronic data interchange standards prescribed by the board no
 28 later than December 31, 2000.

29 Prior to the June 30, 2000, and December 31, 2000, deadlines, the
 30 reporting entity may continue to report accidents to the board by mail
 31 in compliance with subsection (a).

32 (c) The report shall contain the name, nature, and location of the
 33 business of the employer, the name, age, sex, wages, occupation of the
 34 injured employee, the date and hour of the accident causing the alleged
 35 injury, the nature and cause of the injury, and such other information
 36 as may be required by the board.

37 (d) A person who violates any provision of this article, except
 38 IC 22-3-5-1 or IC 22-3-7-34(a) or IC 22-3-7-34(b), commits a Class C
 39 infraction. A person who violates IC 22-3-5-1 or IC 22-3-7-34(a) or
 40 IC 22-3-7-34(b) commits a Class A infraction. The worker's
 41 compensation board in the name of the state may seek relief from any
 42 court of competent jurisdiction to enjoin any violation of this article.

C
O
P
Y



1 (e) The venue of all criminal actions under this section lies in the
2 county in which the employee was injured. The prosecuting attorney of
3 the county shall prosecute all such violations upon written request of
4 the worker's compensation board. Such violations shall be prosecuted
5 in the name of the state.

6 (f) In an action before the board against an employer who at the time
7 of the injury to or occupational disease of an employee had failed to
8 comply with IC 22-3-5-1 or IC 22-3-7-34(a) or IC 22-3-7-34(b), the
9 board may award to the employee or the dependents of a deceased
10 employee:

- 11 (1) compensation not to exceed double the compensation
- 12 provided by this article;
- 13 (2) medical expenses; and
- 14 (3) reasonable attorney fees in addition to the compensation and
- 15 medical expenses.

16 (g) In an action under subsection (c) the court may:

- 17 (1) order the employer to cease doing business in Indiana until the
- 18 employer furnishes proof of insurance as required by IC 22-3-5-1
- 19 and IC 22-3-7-34(a) or IC 22-3-7-34(b);
- 20 (2) require satisfactory proof of the employer's financial ability to
- 21 pay any compensation or medical expenses in the amount and
- 22 manner and when due as provided for in IC 22-3, for any injuries
- 23 which occurred during any period of noncompliance; and
- 24 (3) require the employer to deposit with the worker's
- 25 compensation board an acceptable security, indemnity, or bond to
- 26 secure the payment of such compensation and medical expense
- 27 liabilities.

28 (h) The penalty provisions of subsection (e) shall apply only to the
29 employer and shall not apply for a failure to exact a certificate of
30 insurance under ~~IC 22-3-2-14~~ or IC 22-3-7-34(i) or IC 22-3-7-34(j).

31 SECTION 4. IC 22-3-5-6, AS AMENDED BY P.L.202-2001,
32 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JULY 1, 2004]: Sec. 6. (a) The worker's compensation supplemental
34 administrative fund is established for the purpose of carrying out the
35 administrative purposes and functions of the worker's compensation
36 board. The fund consists of fees collected from employers under
37 sections 1 through 2 of this chapter. ~~and from fees collected under~~
38 ~~IC 22-3-2-14.5 and IC 22-3-7-34.5.~~ The fund shall be administered by
39 the worker's compensation board. Money in the fund is annually
40 appropriated to the worker's compensation board and shall be used for
41 all expenses incurred by the worker's compensation board.

42 (b) The money in the fund is not to be used to replace funds

C
o
p
y



1 otherwise appropriated to the board. Money in the fund at the end of
2 the state fiscal year does not revert to the state general fund.

3 SECTION 5. IC 22-3-6-1, AS AMENDED BY P.L.202-2001,
4 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2004]: Sec. 1. In IC 22-3-2 through IC 22-3-6, unless the
6 context otherwise requires:

7 (a) "Employer" includes the state and any political subdivision, any
8 municipal corporation within the state, any individual or the legal
9 representative of a deceased individual, firm, association, limited
10 liability company, or corporation or the receiver or trustee of the same,
11 using the services of another for pay. A parent corporation and its
12 subsidiaries shall each be considered joint employers of the
13 corporation's, the parent's, or the subsidiaries' employees for purposes
14 of IC 22-3-2-6 and IC 22-3-3-31. Both a lessor and a lessee of
15 employees shall each be considered joint employers of the employees
16 provided by the lessor to the lessee for purposes of IC 22-3-2-6 and
17 IC 22-3-3-31. If the employer is insured, the term includes the
18 employer's insurer so far as applicable. However, the inclusion of an
19 employer's insurer within this definition does not allow an employer's
20 insurer to avoid payment for services rendered to an employee with the
21 approval of the employer. The term also includes an employer that
22 provides on-the-job training under the federal School to Work
23 Opportunities Act (20 U.S.C. 6101 et seq.) to the extent set forth in
24 IC 22-3-2-2.5.

25 (b) "Employee" means every person, including a minor, in the
26 service of another, under any contract of hire or apprenticeship, written
27 or implied, except one whose employment is both casual and not in the
28 usual course of the trade, business, occupation, or profession of the
29 employer.

30 (1) An executive officer elected or appointed and empowered in
31 accordance with the charter and bylaws of a corporation, other
32 than a municipal corporation or governmental subdivision, ~~or~~ a
33 charitable, religious, educational, or other nonprofit corporation,
34 **or a corporation with less than three (3) executive officers**, is
35 an employee of the corporation under IC 22-3-2 through
36 IC 22-3-6.

37 (2) An executive officer of a municipal corporation or other
38 governmental subdivision, ~~or of~~ a charitable, religious,
39 educational, or other nonprofit corporation, **or a corporation**
40 **with less than three (3) executive officers**, may, notwithstanding
41 any other provision of IC 22-3-2 through IC 22-3-6, be brought
42 within the coverage of its insurance contract by the corporation by

C
o
p
y



1 specifically including the executive officer in the contract of
 2 insurance. The election to bring the executive officer within the
 3 coverage shall continue for the period the contract of insurance is
 4 in effect, and during this period, the executive officers thus
 5 brought within the coverage of the insurance contract are
 6 employees of the corporation under IC 22-3-2 through IC 22-3-6.

7 (3) Any reference to an employee who has been injured, when the
 8 employee is dead, also includes the employee's legal
 9 representatives, dependents, and other persons to whom
 10 compensation may be payable.

11 (4) An owner of a sole proprietorship may elect to include the
 12 owner as an employee under IC 22-3-2 through IC 22-3-6 if the
 13 owner is actually engaged in the proprietorship business. If the
 14 owner makes this election, the owner must serve upon the owner's
 15 insurance carrier and upon the board written notice of the
 16 election. No owner of a sole proprietorship may be considered an
 17 employee under IC 22-3-2 through IC 22-3-6 until the notice has
 18 been received. ~~If the owner of a sole proprietorship is an~~
 19 ~~independent contractor in the construction trades and does not~~
 20 ~~make the election provided under this subdivision, the owner~~
 21 ~~must obtain an affidavit of exemption under IC 22-3-2-14.5.~~

22 (5) A partner in a partnership may elect to include the partner as
 23 an employee under IC 22-3-2 through IC 22-3-6 if the partner is
 24 actually engaged in the partnership business. If a partner makes
 25 this election, the partner must serve upon the partner's insurance
 26 carrier and upon the board written notice of the election. No
 27 partner may be considered an employee under IC 22-3-2 through
 28 IC 22-3-6 until the notice has been received. ~~If a partner in a~~
 29 ~~partnership is an independent contractor in the construction trades~~
 30 ~~and does not make the election provided under this subdivision,~~
 31 ~~the partner must obtain an affidavit of exemption under~~
 32 ~~IC 22-3-2-14.5.~~

33 (6) Real estate professionals are not employees under IC 22-3-2
 34 through IC 22-3-6 if:

- 35 (A) they are licensed real estate agents;
- 36 (B) substantially all their remuneration is directly related to
- 37 sales volume and not the number of hours worked; and
- 38 (C) they have written agreements with real estate brokers
- 39 stating that they are not to be treated as employees for tax
- 40 purposes.

41 (7) A person is an independent contractor ~~in the construction~~
 42 ~~trades~~ and not an employee under IC 22-3-2 through IC 22-3-6 if

C
O
P
Y



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

the person is an independent contractor:

(A) under the guidelines of the United States Internal Revenue Service; or

(B) under a definition adopted in the manner prescribed by IC 4-22-2 by the worker's compensation board, with the assistance of the worker's compensation rating bureau and the department of insurance.

(8) An owner-operator that provides a motor vehicle and the services of a driver under a written contract that is subject to IC 8-2.1-24-23, 45 IAC 16-1-13, or 49 CFR 1057, to a motor carrier is not an employee of the motor carrier for purposes of IC 22-3-2 through IC 22-3-6. The owner-operator may elect to be covered and have the owner-operator's drivers covered under a worker's compensation insurance policy or authorized self-insurance that insures the motor carrier if the owner-operator pays the premiums as requested by the motor carrier. An election by an owner-operator under this subdivision does not terminate the independent contractor status of the owner-operator for any purpose other than the purpose of this subdivision.

(9) A member or manager in a limited liability company may elect to include the member or manager as an employee under IC 22-3-2 through IC 22-3-6 if the member or manager is actually engaged in the limited liability company business. If a member or manager makes this election, the member or manager must serve upon the member's or manager's insurance carrier and upon the board written notice of the election. A member or manager may not be considered an employee under IC 22-3-2 through IC 22-3-6 until the notice has been received.

(10) An unpaid participant under the federal School to Work Opportunities Act (20 U.S.C. 6101 et seq.) is an employee to the extent set forth in IC 22-3-2-2.5.

(c) "Minor" means an individual who has not reached seventeen (17) years of age.

(1) Unless otherwise provided in this subsection, a minor employee shall be considered as being of full age for all purposes of IC 22-3-2 through IC 22-3-6.

(2) If the employee is a minor who, at the time of the accident, is employed, required, suffered, or permitted to work in violation of IC 20-8.1-4-25, the amount of compensation and death benefits, as provided in IC 22-3-2 through IC 22-3-6, shall be double the amount which would otherwise be recoverable. The insurance carrier shall be liable on its policy for one-half (1/2) of the

C
o
p
y



1 compensation or benefits that may be payable on account of the
2 injury or death of the minor, and the employer shall be liable for
3 the other one-half (1/2) of the compensation or benefits. If the
4 employee is a minor who is not less than sixteen (16) years of age
5 and who has not reached seventeen (17) years of age and who at
6 the time of the accident is employed, suffered, or permitted to
7 work at any occupation which is not prohibited by law, this
8 subdivision does not apply.

9 (3) A minor employee who, at the time of the accident, is a
10 student performing services for an employer as part of an
11 approved program under IC 20-10.1-6-7 shall be considered a
12 full-time employee for the purpose of computing compensation
13 for permanent impairment under IC 22-3-3-10. The average
14 weekly wages for such a student shall be calculated as provided
15 in subsection (d)(4).

16 (4) The rights and remedies granted in this subsection to a minor
17 under IC 22-3-2 through IC 22-3-6 on account of personal injury
18 or death by accident shall exclude all rights and remedies of the
19 minor, the minor's parents, or the minor's personal
20 representatives, dependents, or next of kin at common law,
21 statutory or otherwise, on account of the injury or death. This
22 subsection does not apply to minors who have reached seventeen
23 (17) years of age.

24 (d) "Average weekly wages" means the earnings of the injured
25 employee in the employment in which the employee was working at the
26 time of the injury during the period of fifty-two (52) weeks
27 immediately preceding the date of injury, divided by fifty-two (52),
28 except as follows:

29 (1) If the injured employee lost seven (7) or more calendar days
30 during this period, although not in the same week, then the
31 earnings for the remainder of the fifty-two (52) weeks shall be
32 divided by the number of weeks and parts thereof remaining after
33 the time lost has been deducted.

34 (2) Where the employment prior to the injury extended over a
35 period of less than fifty-two (52) weeks, the method of dividing
36 the earnings during that period by the number of weeks and parts
37 thereof during which the employee earned wages shall be
38 followed, if results just and fair to both parties will be obtained.
39 Where by reason of the shortness of the time during which the
40 employee has been in the employment of the employee's employer
41 or of the casual nature or terms of the employment it is
42 impracticable to compute the average weekly wages, as defined

**C
o
p
y**



1 in this subsection, regard shall be had to the average weekly
 2 amount which during the fifty-two (52) weeks previous to the
 3 injury was being earned by a person in the same grade employed
 4 at the same work by the same employer or, if there is no person so
 5 employed, by a person in the same grade employed in the same
 6 class of employment in the same district.

7 (3) Wherever allowances of any character made to an employee
 8 in lieu of wages are a specified part of the wage contract, they
 9 shall be deemed a part of ~~his~~ **the employee's** earnings.

10 (4) In computing the average weekly wages to be used in
 11 calculating an award for permanent impairment under
 12 IC 22-3-3-10 for a student employee in an approved training
 13 program under IC 20-10.1-6-7, the following formula shall be
 14 used. Calculate the product of:

- 15 (A) the student employee's hourly wage rate; multiplied by
 16 (B) forty (40) hours.

17 The result obtained is the amount of the average weekly wages for
 18 the student employee.

19 (e) "Injury" and "personal injury" mean only injury by accident
 20 arising out of and in the course of the employment and do not include
 21 a disease in any form except as it results from the injury.

22 (f) "Billing review service" refers to a person or an entity that
 23 reviews a medical service provider's bills or statements for the purpose
 24 of determining pecuniary liability. The term includes an employer's
 25 worker's compensation insurance carrier if the insurance carrier
 26 performs such a review.

27 (g) "Billing review standard" means the data used by a billing
 28 review service to determine pecuniary liability.

29 (h) "Community" means a geographic service area based on zip
 30 code districts defined by the United States Postal Service according to
 31 the following groupings:

- 32 (1) The geographic service area served by zip codes with the first
 33 three (3) digits 463 and 464.
 34 (2) The geographic service area served by zip codes with the first
 35 three (3) digits 465 and 466.
 36 (3) The geographic service area served by zip codes with the first
 37 three (3) digits 467 and 468.
 38 (4) The geographic service area served by zip codes with the first
 39 three (3) digits 469 and 479.
 40 (5) The geographic service area served by zip codes with the first
 41 three (3) digits 460, 461 (except 46107), and 473.
 42 (6) The geographic service area served by the 46107 zip code and

C
o
p
y



- 1 zip codes with the first three (3) digits 462.
- 2 (7) The geographic service area served by zip codes with the first
- 3 three (3) digits 470, 471, 472, 474, and 478.
- 4 (8) The geographic service area served by zip codes with the first
- 5 three (3) digits 475, 476, and 477.

6 (i) "Medical service provider" refers to a person or an entity that
 7 provides medical services, treatment, or supplies to an employee under
 8 IC 22-3-2 through IC 22-3-6.

9 (j) "Pecuniary liability" means the responsibility of an employer or
 10 the employer's insurance carrier for the payment of the charges for each
 11 specific service or product for human medical treatment provided
 12 under IC 22-3-2 through IC 22-3-6 in a defined community, equal to or
 13 less than the charges made by medical service providers at the eightieth
 14 percentile in the same community for like services or products.

15 SECTION 6. IC 22-3-6-4 IS ADDED TO THE INDIANA CODE
 16 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 17 1, 2004]: **Sec. 4. An insurance company writing worker's**
 18 **compensation insurance coverage in Indiana shall use the**
 19 **definition of independent contractor set forth in section 1(b)(7) of**
 20 **this chapter to determine, for rating purposes, whether an**
 21 **employer-employee relationship exists.**

22 SECTION 7. IC 22-3-7-9, AS AMENDED BY P.L.202-2001,
 23 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2004]: Sec. 9. (a) As used in this chapter, "employer" includes
 25 the state and any political subdivision, any municipal corporation
 26 within the state, any individual or the legal representative of a deceased
 27 individual, firm, association, limited liability company, or corporation
 28 or the receiver or trustee of the same, using the services of another for
 29 pay. A parent corporation and its subsidiaries shall each be considered
 30 joint employers of the corporation's, the parent's, or the subsidiaries'
 31 employees for purposes of sections 6 and 33 of this chapter. Both a
 32 lessor and a lessee of employees shall each be considered joint
 33 employers of the employees provided by the lessor to the lessee for
 34 purposes of sections 6 and 33 of this chapter. The term also includes an
 35 employer that provides on-the-job training under the federal School to
 36 Work Opportunities Act (20 U.S.C. 6101 et seq.) to the extent set forth
 37 under section 2.5 of this chapter. If the employer is insured, the term
 38 includes ~~his~~ **the employer's** insurer so far as applicable. However, the
 39 inclusion of an employer's insurer within this definition does not allow
 40 an employer's insurer to avoid payment for services rendered to an
 41 employee with the approval of the employer.

42 (b) As used in this chapter, "employee" means every person,

C
o
p
y



1 including a minor, in the service of another, under any contract of hire
 2 or apprenticeship written or implied, except one whose employment is
 3 both casual and not in the usual course of the trade, business,
 4 occupation, or profession of the employer. For purposes of this chapter
 5 the following apply:

6 (1) Any reference to an employee who has suffered disablement,
 7 when the employee is dead, also includes ~~his~~ **the employee's**
 8 legal representative, dependents, and other persons to whom
 9 compensation may be payable.

10 (2) An owner of a sole proprietorship may elect to include himself
 11 **or herself** as an employee under this chapter if ~~he~~ **the owner** is
 12 actually engaged in the proprietorship business. If the owner
 13 makes this election, ~~he~~ **the owner** must serve upon ~~his~~ **the**
 14 **owner's** insurance carrier and upon the board written notice of
 15 the election. No owner of a sole proprietorship may be considered
 16 an employee under this chapter unless the notice has been
 17 received. ~~If the owner of a sole proprietorship is an independent~~
 18 ~~contractor in the construction trades and does not make the~~
 19 ~~election provided under this subdivision, the owner must obtain~~
 20 ~~an affidavit of exemption under section 34.5 of this chapter.~~

21 (3) A partner in a partnership may elect to include himself **or**
 22 **herself** as an employee under this chapter if ~~he~~ **the partner** is
 23 actually engaged in the partnership business. If a partner makes
 24 this election, ~~he~~ **the partner** must serve upon ~~his~~ **the partner's**
 25 insurance carrier and upon the board written notice of the
 26 election. No partner may be considered an employee under this
 27 chapter until the notice has been received. ~~If a partner in a~~
 28 ~~partnership is an independent contractor in the construction trades~~
 29 ~~and does not make the election provided under this subdivision,~~
 30 ~~the partner must obtain an affidavit of exemption under section~~
 31 ~~34.5 of this chapter.~~

32 (4) Real estate professionals are not employees under this chapter
 33 if:

34 (A) they are licensed real estate agents;

35 (B) substantially all their remuneration is directly related to
 36 sales volume and not the number of hours worked; and

37 (C) they have written agreements with real estate brokers
 38 stating that they are not to be treated as employees for tax
 39 purposes.

40 (5) A person is an independent contractor ~~in the construction~~
 41 ~~trades~~ and not an employee under this chapter if the person is an
 42 independent contractor:

C
o
p
y



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

(A) under the guidelines of the United States Internal Revenue Service; or

(B) under a definition adopted in the manner prescribed by IC 4-22-2 by the worker's compensation board, with the assistance of the worker's compensation rating bureau and the department of insurance.

(6) An owner-operator that provides a motor vehicle and the services of a driver under a written contract that is subject to IC 8-2.1-24-23, 45 IAC 16-1-13, or 49 CFR 1057, to a motor carrier is not an employee of the motor carrier for purposes of this chapter. The owner-operator may elect to be covered and have the owner-operator's drivers covered under a worker's compensation insurance policy or authorized self-insurance that insures the motor carrier if the owner-operator pays the premiums as requested by the motor carrier. An election by an owner-operator under this subdivision does not terminate the independent contractor status of the owner-operator for any purpose other than the purpose of this subdivision.

(7) An unpaid participant under the federal School to Work Opportunities Act (20 U.S.C. 6101 et seq.) is an employee to the extent set forth under section 2.5 of this chapter.

(c) As used in this chapter, "minor" means an individual who has not reached seventeen (17) years of age. A minor employee shall be considered as being of full age for all purposes of this chapter. However, if the employee is a minor who, at the time of the last exposure, is employed, required, suffered, or permitted to work in violation of the child labor laws of this state, the amount of compensation and death benefits, as provided in this chapter, shall be double the amount which would otherwise be recoverable. The insurance carrier shall be liable on its policy for one-half (1/2) of the compensation or benefits that may be payable on account of the disability or death of the minor, and the employer shall be wholly liable for the other one-half (1/2) of the compensation or benefits. If the employee is a minor who is not less than sixteen (16) years of age and who has not reached seventeen (17) years of age, and who at the time of the last exposure is employed, suffered, or permitted to work at any occupation which is not prohibited by law, the provisions of this subsection prescribing double the amount otherwise recoverable do not apply. The rights and remedies granted to a minor under this chapter on account of disease shall exclude all rights and remedies of the minor, his the minor's parents, his the minor's personal representatives, dependents, or next of kin at common law, statutory or otherwise, on

C
o
p
y



1 account of any disease.

2 (d) This chapter does not apply to casual laborers as defined in
3 subsection (b), nor to farm or agricultural employees, nor to household
4 employees, nor to railroad employees engaged in train service as
5 engineers, firemen, conductors, brakemen, flagmen, baggagemen, or
6 foremen in charge of yard engines and helpers assigned thereto, nor to
7 their employers with respect to these employees. Also, this chapter
8 does not apply to employees or their employers with respect to
9 employments in which the laws of the United States provide for
10 compensation or liability for injury to the health, disability, or death by
11 reason of diseases suffered by these employees.

12 (e) As used in this chapter, "disablement" means the event of
13 becoming disabled from earning full wages at the work in which the
14 employee was engaged when last exposed to the hazards of the
15 occupational disease by the employer from whom ~~he~~ **the employee**
16 claims compensation or equal wages in other suitable employment, and
17 "disability" means the state of being so incapacitated.

18 (f) For the purposes of this chapter, no compensation shall be
19 payable for or on account of any occupational diseases unless
20 disablement, as defined in subsection (e), occurs within two (2) years
21 after the last day of the last exposure to the hazards of the disease
22 except for the following:

23 (1) In all cases of occupational diseases caused by the inhalation
24 of silica dust or coal dust, no compensation shall be payable
25 unless disablement, as defined in subsection (e), occurs within
26 three (3) years after the last day of the last exposure to the hazards
27 of the disease.

28 (2) In all cases of occupational disease caused by the exposure to
29 radiation, no compensation shall be payable unless disablement,
30 as defined in subsection (e), occurs within two (2) years from the
31 date on which the employee had knowledge of the nature of ~~his~~
32 **the employee's** occupational disease or, by exercise of reasonable
33 diligence, should have known of the existence of such disease and
34 its causal relationship to ~~his~~ **the employee's** employment.

35 (3) In all cases of occupational diseases caused by the inhalation
36 of asbestos dust, no compensation shall be payable unless
37 disablement, as defined in subsection (e), occurs within three (3)
38 years after the last day of the last exposure to the hazards of the
39 disease if the last day of the last exposure was before July 1, 1985.

40 (4) In all cases of occupational disease caused by the inhalation
41 of asbestos dust in which the last date of the last exposure occurs
42 on or after July 1, 1985, and before July 1, 1988, no compensation

C
O
P
Y



1 shall be payable unless disablement, as defined in subsection (e),
2 occurs within twenty (20) years after the last day of the last
3 exposure.

4 (5) In all cases of occupational disease caused by the inhalation
5 of asbestos dust in which the last date of the last exposure occurs
6 on or after July 1, 1988, no compensation shall be payable unless
7 disablement (as defined in subsection (e)) occurs within
8 thirty-five (35) years after the last day of the last exposure.

9 (g) For the purposes of this chapter, no compensation shall be
10 payable for or on account of death resulting from any occupational
11 disease unless death occurs within two (2) years after the date of
12 disablement. However, this subsection does not bar compensation for
13 death:

14 (1) where death occurs during the pendency of a claim filed by an
15 employee within two (2) years after the date of disablement and
16 which claim has not resulted in a decision or has resulted in a
17 decision which is in process of review or appeal; or

18 (2) where, by agreement filed or decision rendered, a
19 compensable period of disability has been fixed and death occurs
20 within two (2) years after the end of such fixed period, but in no
21 event later than three hundred (300) weeks after the date of
22 disablement.

23 (h) As used in this chapter, "billing review service" refers to a
24 person or an entity that reviews a medical service provider's bills or
25 statements for the purpose of determining pecuniary liability. The term
26 includes an employer's worker's compensation insurance carrier if the
27 insurance carrier performs such a review.

28 (i) As used in this chapter, "billing review standard" means the data
29 used by a billing review service to determine pecuniary liability.

30 (j) As used in this chapter, "community" means a geographic service
31 area based on zip code districts defined by the United States Postal
32 Service according to the following groupings:

33 (1) The geographic service area served by zip codes with the first
34 three (3) digits 463 and 464.

35 (2) The geographic service area served by zip codes with the first
36 three (3) digits 465 and 466.

37 (3) The geographic service area served by zip codes with the first
38 three (3) digits 467 and 468.

39 (4) The geographic service area served by zip codes with the first
40 three (3) digits 469 and 479.

41 (5) The geographic service area served by zip codes with the first
42 three (3) digits 460, 461 (except 46107), and 473.

C
o
p
y



1 (6) The geographic service area served by the 46107 zip code and
 2 zip codes with the first three (3) digits 462.
 3 (7) The geographic service area served by zip codes with the first
 4 three (3) digits 470, 471, 472, 474, and 478.
 5 (8) The geographic service area served by zip codes with the first
 6 three (3) digits 475, 476, and 477.
 7 (k) As used in this chapter, "medical service provider" refers to a
 8 person or an entity that provides medical services, treatment, or
 9 supplies to an employee under this chapter.
 10 (l) As used in this chapter, "pecuniary liability" means the
 11 responsibility of an employer or the employer's insurance carrier for the
 12 payment of the charges for each specific service or product for human
 13 medical treatment provided under this chapter in a defined community,
 14 equal to or less than the charges made by medical service providers at
 15 the eightieth percentile in the same community for like services or
 16 products.
 17 SECTION 8. IC 22-3-7-34, AS AMENDED BY P.L.202-2001,
 18 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2004]: Sec. 34. (a) As used in this section, "person" does not
 20 include an owner who contracts for performance of work on the
 21 owner's owner occupied residential property.
 22 (b) Every employer bound by the compensation provisions of this
 23 chapter, except the state, counties, townships, cities, towns, school
 24 cities, school towns, school townships, other municipal corporations,
 25 state institutions, state boards, and state commissions, shall insure the
 26 payment of compensation to the employer's employees and their
 27 dependents in the manner provided in this chapter, or procure from the
 28 worker's compensation board a certificate authorizing the employer to
 29 carry such risk without insurance. While that insurance or certificate
 30 remains in force, the employer, or those conducting the employer's
 31 business, and the employer's occupational disease insurance carrier
 32 shall be liable to any employee and the employee's dependents for
 33 disablement or death from occupational disease arising out of and in
 34 the course of employment only to the extent and in the manner
 35 specified in this chapter.
 36 (c) Every employer who, by election, is bound by the compensation
 37 provisions of this chapter, except those exempted from the provisions
 38 by subsection (b), shall:
 39 (1) insure and keep insured the employer's liability under this
 40 chapter in some corporation, association, or organization
 41 authorized to transact the business of worker's compensation
 42 insurance in this state; or

C
O
P
Y



1 (2) furnish to the worker's compensation board satisfactory proof
 2 of the employer's financial ability to pay the compensation in the
 3 amount and manner and when due as provided for in this chapter.
 4 In the latter case the board may require the deposit of an acceptable
 5 security, indemnity, or bond to secure the payment of compensation
 6 liabilities as they are incurred.

7 (d) Every employer required to carry insurance under this section
 8 shall file with the worker's compensation board in the form prescribed
 9 by it, within ten (10) days after the termination of the employer's
 10 insurance by expiration or cancellation, evidence of the employer's
 11 compliance with subsection (c) and other provisions relating to the
 12 insurance under this chapter. The venue of all criminal actions under
 13 this section lies in the county in which the employee was last exposed
 14 to the occupational disease causing disablement. The prosecuting
 15 attorney of the county shall prosecute all violations upon written
 16 request of the board. The violations shall be prosecuted in the name of
 17 the state.

18 (e) Whenever an employer has complied with subsection (c) relating
 19 to self-insurance, the worker's compensation board shall issue to the
 20 employer a certificate which shall remain in force for a period fixed by
 21 the board, but the board may, upon at least thirty (30) days notice, and
 22 a hearing to the employer, revoke the certificate, upon presentation of
 23 satisfactory evidence for the revocation. After the revocation, the board
 24 may grant a new certificate to the employer upon the employer's
 25 petition, and satisfactory proof of the employer's financial ability.

26 (f)(1) Subject to the approval of the worker's compensation board,
 27 any employer may enter into or continue any agreement with the
 28 employer's employees to provide a system of compensation, benefit, or
 29 insurance in lieu of the compensation and insurance provided by this
 30 chapter. A substitute system may not be approved unless it confers
 31 benefits upon employees and their dependents at least equivalent to the
 32 benefits provided by this chapter. It may not be approved if it requires
 33 contributions from the employees unless it confers benefits in addition
 34 to those provided under this chapter, which are at least commensurate
 35 with such contributions.

36 (f)(2) The substitute system may be terminated by the worker's
 37 compensation board on reasonable notice and hearing to the interested
 38 parties, if it appears that the same is not fairly administered or if its
 39 operation shall disclose latent defects threatening its solvency, or if for
 40 any substantial reason it fails to accomplish the purpose of this chapter.
 41 On termination, the board shall determine the proper distribution of all
 42 remaining assets, if any, subject to the right of any party in interest to

C
o
p
y



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

take an appeal to the court of appeals.

(g)(1) No insurer shall enter into or issue any policy of insurance under this chapter until its policy form has been submitted to and approved by the worker's compensation board. The board shall not approve the policy form of any insurance company until the company shall file with it the certificate of the insurance commissioner showing that the company is authorized to transact the business of worker's compensation insurance in Indiana. The filing of a policy form by any insurance company or reciprocal insurance association with the board for approval constitutes on the part of the company or association a conclusive and unqualified acceptance of each of the compensation provisions of this chapter, and an agreement by it to be bound by the compensation provisions of this chapter.

(g)(2) All policies of insurance companies and of reciprocal insurance associations, insuring the payment of compensation under this chapter, shall be conclusively presumed to cover all the employees and the entire compensation liability of the insured under this chapter in all cases in which the last day of the exposure rendering the employer liable is within the effective period of such policy.

(g)(3) Any provision in any such policy attempting to limit or modify the liability of the company or association insuring the same shall be wholly void.

(g)(4) Every policy of any company or association shall be deemed to include the following provisions:

"(A) The insurer assumes in full all the obligations to pay physician's fees, nurse's charges, hospital supplies, burial expenses, compensation, or death benefits imposed upon or accepted by the insured under this chapter.

(B) This policy is subject to the provisions of this chapter relative to the liability of the insured to pay physician's fees, nurse's charges, hospital services, hospital supplies, burial expenses, compensation, or death benefits to and for such employees, the acceptance of such liability by the insured, the adjustment, trial, and adjudication of claims for such physician's fees, nurse's charges, hospital services, hospital supplies, burial expenses, compensation, or death benefits.

(C) Between this insurer and the employee, notice to or knowledge of the occurrence of the disablement on the part of the insured (the employer) shall be notice or knowledge thereof, on the part of the insurer. The jurisdiction of the insured (the employer) for the purpose of this chapter is the jurisdiction of this insurer, and this insurer shall in all things be bound by and shall

C
o
p
y



1 be subject to the awards, judgments, and decrees rendered against
 2 the insured (the employer) under this chapter.
 3 (D) This insurer will promptly pay to the person entitled to the
 4 same all benefits conferred by this chapter, including all
 5 physician's fees, nurse's charges, hospital services, hospital
 6 supplies, burial expenses, and all installments of compensation or
 7 death benefits that may be awarded or agreed upon under this
 8 chapter. The obligation of this insurer shall not be affected by any
 9 default of the insured (the employer) after disablement or by any
 10 default in giving of any notice required by this policy, or
 11 otherwise. This policy is a direct promise by this insurer to the
 12 person entitled to physician's fees, nurse's charges, fees for
 13 hospital services, charges for hospital services, charges for
 14 hospital supplies, charges for burial, compensation, or death
 15 benefits, and shall be enforceable in the name of the person.
 16 (E) Any termination of this policy by cancellation shall not be
 17 effective as to employees of the insured covered hereby unless at
 18 least thirty (30) days prior to the taking effect of such
 19 cancellation, a written notice giving the date upon which such
 20 termination is to become effective has been received by the
 21 worker's compensation board of Indiana at its office in
 22 Indianapolis, Indiana.
 23 (F) This policy shall automatically expire one (1) year from the
 24 effective date of the policy, unless the policy covers a period of
 25 three (3) years, in which event, it shall automatically expire three
 26 (3) years from the effective date of the policy. The termination
 27 either of a one (1) year or a three (3) year policy, is effective as to
 28 the employees of the insured covered by the policy."
 29 (g)(5) All claims for compensation, nurse's charges, hospital
 30 services, hospital supplies, physician's fees, or burial expenses may be
 31 made directly against either the employer or the insurer or both, and the
 32 award of the worker's compensation board may be made against either
 33 the employer or the insurer or both.
 34 (g)(6) If any insurer shall fail to pay any final award or judgment
 35 (except during the pendency of an appeal) rendered against it, or its
 36 insured, or, if it shall fail to comply with this chapter, the worker's
 37 compensation board shall revoke the approval of its policy forms, and
 38 shall not accept any further proofs of insurance from it until it shall
 39 have paid the award or judgment or complied with this chapter, and
 40 shall have resubmitted its policy form and received the approval of the
 41 policy by the industrial board.
 42 (h) No policy of insurance covering the liability of an employer for

C
O
P
Y



1 worker's compensation shall be construed to cover the liability of the
 2 employer under this chapter for any occupational disease unless the
 3 liability is expressly accepted by the insurance carrier issuing the
 4 policy and is endorsed in that policy. The insurance or security in force
 5 to cover compensation liability under this chapter shall be separate
 6 from the insurance or security under IC 22-3-2 through IC 22-3-6. Any
 7 insurance contract covering liability under either part of this article
 8 need not cover any liability under the other.

9 (i) For the purpose of complying with subsection (c), groups of
 10 employers are authorized to form mutual insurance associations or
 11 reciprocal or interinsurance exchanges subject to any reasonable
 12 conditions and restrictions fixed by the department of insurance. This
 13 subsection does not apply to mutual insurance associations and
 14 reciprocal or interinsurance exchanges formed and operating on or
 15 before January 1, 1991, which shall continue to operate subject to the
 16 provisions of this chapter and to such reasonable conditions and
 17 restrictions as may be fixed by the worker's compensation board.

18 (j) Membership in a mutual insurance association or a reciprocal or
 19 interinsurance exchange so proved, together with evidence of the
 20 payment of premiums due, is evidence of compliance with subsection
 21 (c).

22 (k) Any person bound under the compensation provisions of this
 23 chapter, contracting for the performance of any work exceeding one
 24 thousand dollars (\$1,000) in value, in which the hazard of an
 25 occupational disease exists, by a contractor subject to the compensation
 26 provisions of this chapter without exacting from the contractor a
 27 certificate from the worker's compensation board showing that the
 28 contractor has complied with subsections (b), (c), and (d), shall be
 29 liable to the same extent as the contractor for compensation, physician's
 30 fees, hospital fees, nurse's charges, and burial expenses on account of
 31 the injury or death of any employee of such contractor, due to
 32 occupational disease arising out of and in the course of the
 33 performance of the work covered by such contract.

34 (l) Any contractor who sublets any contract for the performance of
 35 any work to a subcontractor subject to the compensation provisions of
 36 this chapter, without obtaining a certificate from the worker's
 37 compensation board showing that the subcontractor has complied with
 38 subsections (b), (c), and (d), is liable to the same extent as the
 39 subcontractor for the payment of compensation, physician's fees,
 40 hospital fees, nurse's charges, and burial expense on account of the
 41 injury or death of any employee of the subcontractor due to
 42 occupational disease arising out of and in the course of the

C
O
P
Y



1 performance of the work covered by the subcontract.

2 ~~(m)~~ **(k)** A person paying compensation, physician's fees, hospital
3 fees, nurse's charges, or burial expenses under ~~subsection (k) or (l)~~; **this**
4 **article** may recover the amount paid or to be paid from any person who
5 would otherwise have been liable for the payment thereof and may, in
6 addition, recover the litigation expenses and attorney's fees incurred in
7 the action before the worker's compensation board as well as the
8 litigation expenses and attorney's fees incurred in an action to collect
9 the compensation, medical expenses, and burial expenses.

10 ~~(n)~~ **(l)** Every claim filed with the worker's compensation board under
11 this section shall be instituted against all parties liable for payment.
12 The worker's compensation board, in an award under subsection (k);
13 shall fix the order in which such parties shall be exhausted, beginning
14 with the immediate employer and, in an award under subsection (l);
15 shall determine whether the subcontractor has the financial ability to
16 pay the compensation and medical expenses when due and, if not, shall
17 order the contractor to pay the compensation and medical expenses.

18 **(m)** An insurance company writing occupational disease
19 coverage in Indiana shall use the definition of independent
20 contractor set forth in section 9(b)(5) of this chapter to determine,
21 for rating purposes, whether an employer-employee relationship
22 exists.

23 SECTION 9. IC 22-3-7-34.5, AS AMENDED BY P.L.202-2001,
24 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JULY 1, 2004]: Sec. 34.5. (a) As used in this section, "independent
26 contractor" refers to a person described in section 9(b)(5) of this
27 chapter.

28 ~~(b)~~ As used in this section, "person" means an individual, a
29 proprietorship, a partnership, a joint venture, a firm, an association, a
30 corporation, or other legal entity.

31 ~~(c)~~ **(b)** An independent contractor who does not make an election
32 under section 9(b)(2) of this chapter or section 9(b)(3) of this chapter
33 is not subject to the compensation provisions of this chapter. ~~and must~~
34 file a statement with the department of state revenue and obtain a
35 certificate of exemption.

36 ~~(d)~~ An independent contractor shall file with the department of state
37 revenue, in the form prescribed by the department of state revenue, a
38 statement containing the information required by IC 6-3-7-5.

39 ~~(e)~~ Together with the statement required in subsection (d), an
40 independent contractor shall file annually with the department
41 documentation in support of independent contractor status before being
42 granted a certificate of exemption. The independent contractor must

C
O
P
Y



1 obtain clearance from the department of state revenue before issuance
2 of the certificate.

3 (f) An independent contractor shall pay a filing fee in the amount of
4 fifteen dollars (\$15) with the certificate filed under subsection (h). The
5 fees collected under this subsection shall be deposited in the worker's
6 compensation supplemental administrative fund and shall be used for
7 all expenses the board incurs.

8 (g) The worker's compensation board shall maintain a data base
9 consisting of certificates received under this section and on request
10 may verify that a certificate was filed.

11 (h) A certificate of exemption must be filed with the worker's
12 compensation board. The board shall indicate that the certificate has
13 been filed by stamping the certificate with the date of receipt and
14 returning a stamped copy to the person filing the certificate. A
15 certificate becomes effective as of midnight seven (7) business days
16 after the date file stamped by the worker's compensation board. The
17 board shall maintain a data base containing information required in
18 subsections (e) and (g).

19 (i) A person who contracts for services of another person not
20 covered by this chapter to perform work must secure a copy of a
21 stamped certificate of exemption filed under this section from the
22 person hired. A person may not require a person who has provided a
23 stamped certificate to have worker's compensation coverage. The
24 worker's compensation insurance carrier of a person who contracts with
25 an independent contractor shall accept a stamped certificate in the
26 same manner as a certificate of insurance.

27 (j) A stamped certificate filed under this section is binding on and
28 holds harmless for all claims:

29 (1) a person who contracts with an independent contractor after
30 receiving a copy of the stamped certificate; and

31 (2) the worker's compensation insurance carrier of the person who
32 contracts with the independent contractor.

33 The independent contractor may not collect compensation under this
34 chapter for an injury from a person or the person's worker's
35 compensation carrier to whom the independent contractor has
36 furnished a stamped certificate.

37 SECTION 10. IC 6-3-7-5 IS REPEALED [EFFECTIVE JULY 1,
38 2004].

39 SECTION 11. [EFFECTIVE UPON PASSAGE] (a) **The worker's**
40 **compensation board, with the assistance of the worker's**
41 **compensation rating bureau and the department of insurance, shall**
42 **adopt a definition of the term "independent contractor" under**

C
o
p
y



1 **IC 22-3-6-1(b)(7) and IC 22-3-7-9(b)(5), both as amended by this**
2 **act, before December 31, 2005.**
3 **(b) This SECTION expires January 1, 2006.**
4 **SECTION 12. An emergency is declared for this act.**

**C
o
p
y**

