INDEPENDENT CONTRACTOR ASSESSMENT FOR MOTOR CARRIERS

REVIEWS OVER

130

INDEPENDENT CONTRACTOR
POINTS OF EXPOSURES

RMA Analysis:

Our Independent Contractor RMA analyzes the insurable and non-insurable aspects of risk involved in independent contractor operations. Our Assessment allows motor carriers to discover where contractor risk management gaps exist, identify potential consequences, and provide solutions to close those gaps.

Motor Carrier Advantages:

• Avoid severe federal and state fines and penalties for misclassifying drivers

• Eliminate Workers Compensation 1099 premium audit

• Reduce contractor bad debt

• Alleviate costly class action lawsuits from independent contractors

• Attract and retain independent contractors with competitive insurance programs

The Independent Contractor RMA focuses on 3 main areas and encompasses over 130 points of exposure:

INSURANCE

Policy review, gap analysis and placement of…

• Occupational Accident
• Contingent Liability
• Non-Trucking Liability
• Physical Damage
• Deductible Buyback
• Passenger Accident
• Voluntary benefit programs specific to 1099 truckers

ADMINISTRATION

• Review insurance files of contractors under active dispatch
• Customized online enrollment, certificates, and settlement deduction integration
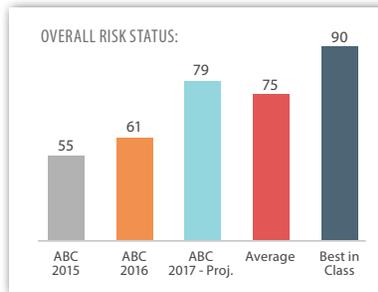• Certificate management for non-settlement participants

LEGAL & COMPLIANCE

• Lease contract audit, review performed by Transportation specific Attorneys
• Contractor fleet state exposure analysis on workers compensation and unemployment tax statutes and common law

INDEPENDENT CONTRACTOR RISK INDEX:

Our Assessment allows motor carriers to discover where contractor risk management gaps exist, identify potential consequences, and provide solutions to close those gaps.

RISK LEVEL	SECTION	POINTS RECEIVED	POINTS POSSIBLE
Legal & Compliance		**15**	**54**
Moderate	OPERATING STRUCTURE	6	9
High Risk	LEASE AGREEMENT	5	14
High Risk	REQUIRED INSURANCE	4	13
High Risk	STATE OPT-OUT FORMS	0	8
High Risk	EQUIPMENT LEASING	0	10
Insurance		**28**	**30**
Ideal	MOTOR CARRIER POLICIES	6	8
Ideal	CONTINGENT LIABILITY	10	10
Ideal	AVAILABLE OO INSURANCE	12	12
Administration		**23**	**24**
Ideal	ON-BOARDING	9	9
Ideal	ADMINISTRATION FEES	7	7
Ideal	SETTLEMENT PROGRAM	7	8

INDEPENDENT CONTRACTOR RISK SCORECARD

OVERALL RISK STATUS:

ABC 2015	ABC 2016	ABC 2017 - Proj.	Average	Best in Class
55	61	79	75	90

OVERALL CONTRACTOR RISK SCORES: CURRENT, PROJECTED, AND INDUSTRY

LEGAL & COMPLIANCE

OPERATING STRUCTURE	LEARN MORE:
Moderate RISK LEVEL **6/9** POINTS RECEIVED	OPERATING STRUCTURE Proper operating structure is vital to reinforcing owner operators are Companies who score below ideal in this section are at risk for costly of class action lawsuits, state and federal fines, and tax withholding p

TAKE ACTION	Points Received	Typical Investment Needed
Separate owned trucks and independent contractors into separate companies with separate FEIN	0/3	$1,500 to form separate company
Pay contractors by IRS Form 1099	3/3	$0
Do not penalize contractors for declining dispatch	3/3	$0

SPECIFIC RISK SCORING WITH ACTION ITEMS

Independent Contractor RMA Process:

STAGE	C&B ACTION	MOTOR CARRIER ACTION	COSTS	ESTIMATED TIME
Discovery	Exposure analysis questionnaire and data collection	Participate in exposure analysis & share data	Free	2 days
Analysis	Comprehensive gap analysis of exposures, insurance policies, and lease agreement	None	Free	2 weeks
Solution	Formulate Contractor RMA solutions	None	Free	1 week
Present	Review formal Contractor RMA	Review formal Contractor RMA	Free	1/2 day
Engage	Service agreement	Decide to hire C&B Independent Contractor Services team to implement Contractor solutions	Free*	N/A
Implement	Coordinate C&B, insurance company, legal, and other resources to implement Contractor RMA solutions	Specific to items identified in Service Agreement	Brokerage commissions of Contractor Programs**	TBD

*Copy of Contractor RMA only is available for purchase
**Pricing of specific services is also available

NEXT STEPS:

Take the online assessment to see where your contractor risk management strategies stand:
or visit: www.CottinghamButler.com/RiskScorecard

GET STARTED
TAKE ASSESSMENT NOW