AV LABOR PROS

CONTRACTOR WORKERS' COMPENSATION STATUS DESIGNATION

Track 1 — Contractor-Provided Coverage | Track 2 — AVLP-Provided Coverage

IMPORTANT: Every contractor must be designated to Track 1 or Track 2 before performing any services. Track 1 applies to an established independent business that carries its own workers' compensation insurance. Track 2 applies to an individual who does not, and who AVLP therefore covers under AVLP's own workers' compensation policy.

AVLP never charges a Track 1 contractor anything for workers' compensation. For Track 2, a premium deduction under Section 4 applies to services performed in Texas, is limited to actual premium, and does not apply to services performed in any state whose law does not permit it. This form does not replace any state-required form, client requirement, venue rule, or project-specific insurance requirement.

1. CONTRACTOR AND ENGAGEMENT

Contractor legal name:	**Business / DBA name:**
Email:	**Phone:**

☐ This engagement only ☐ Blanket through (date):

☐ Replaces prior AVLP coverage election dated:

2. WHERE THE WORK WILL BE PERFORMED

Workers' compensation is governed by the law of the state where the work happens, and AVLP must confirm each state is scheduled on its policy before you work there. List every state you expect to work in. If you are asked to work in a state not listed, notify AVLP before accepting the call; AVLP will confirm coverage in writing and add it below.

State of residence: Primary state of work:

All states you expect to work in:

AVLP confirmed coverage for those states (initials / date):

Monopolistic states. North Dakota, Ohio, Washington, and Wyoming do not permit private workers' compensation policies — coverage there must be bought from the state fund. Notify AVLP in writing at least ten (10) business days before working in any of them, and do not begin work there until AVLP confirms coverage in writing.

3. SELECT YOUR TRACK

☐ TRACK 1 — I CARRY MY OWN COVERAGE

For an established independent business that carries its own workers' compensation insurance.

- I operate an established independent business, hold my own federal tax ID, offer services to the general market, and maintain workers' compensation coverage meeting the statutory requirements of every state where I will perform services, with employers' liability limits not less than $1,000,000 each accident / each employee / policy limit unless AVLP approves different limits in writing.
- Before work begins I will provide a current certificate of insurance showing carrier, policy number, effective dates, limits, states of coverage, and AVLP as certificate holder, plus a waiver of subrogation endorsement where required and permitted by law. I will keep coverage in force throughout and notify AVLP within five (5) business days of cancellation, nonrenewal, material reduction, or lapse. A certificate does not amend coverage.
- I will use my own employees, helpers, or subcontractors only with AVLP's prior written approval, and only if they are

covered under my workers' compensation policy, evidenced by certificate before entering the site.

- **AVLP assesses no workers' compensation charge, deduction, fee, or percentage of any kind against a Track 1 contractor.**

Initials — Track 1: ________

☐ TRACK 2 — AVLP COVERS ME

For an individual who personally performs services and does not carry their own coverage.

- AVLP will provide and maintain workers' compensation insurance covering me for services under this engagement, in each state listed in Section 2, under that state's law. AVLP is my employer solely and exclusively for workers' compensation purposes and for no other purpose — not for tax, wage-and-hour, unemployment, or benefit purposes. My status under any other law is determined by that law and the actual working relationship, not by this document.
- **Texas statutory basis.** For Texas services this designation is made under Texas Labor Code Section 406.123. AVLP and I will execute Form DWC-081 on a blanket basis covering all Texas job sites for the term stated there, which AVLP files with its carrier within ten (10) days of signing.
- I will personally perform all services and will not bring any employee, helper, substitute, subcontractor, or day laborer without AVLP's prior written approval; any approved person must be separately covered before entering the site. I will report any work-related injury, illness, or exposure to AVLP and site management immediately and no later than twenty-four (24) hours after it occurs or I learn of it, and will cooperate with claim handling and return-to-work.
- I have read Section 4 (cost) and Section 5 (what the coverage includes), and I must initial Section 4 before performing any services.

Initials — Track 2: ________

4. COST OF COVERAGE

Track 1 — no charge of any kind. AVLP does not deduct, withhold, offset, invoice, or otherwise collect from a Track 1 contractor any amount — whether called a fee, percentage, administrative charge, or anything else — relating to workers' compensation insurance.

Track 2 — premium deduction, applied by state of work. Texas Labor Code Section 406.123(d) permits a hiring party that provides coverage to deduct the actual premiums, based on payroll, from the contract price. Most states do not permit any such deduction. Because you may work both inside and outside Texas, the deduction is applied engagement by engagement according to where the work is actually performed, as recorded in Section 2. You are not asked to choose between the two outcomes; each engagement is governed by the law of the state where it occurs.

TRACK 2 — WORKERS' COMPENSATION PREMIUM DEDUCTION

Services performed in Texas. Under Texas Labor Code Section 406.123(d) and the DWC-081 agreement in Section 3, AVLP deducts from amounts otherwise owed to you the actual workers' compensation premium, based on payroll, that AVLP pays or incurs for your coverage. Estimated current rate: ________ % of your gross compensation for Texas services, subject to the conditions below.

Services performed outside Texas. No deduction is taken. AVLP bears the entire cost of your coverage for those services, and no amount is deducted from, charged against, or invoiced to you in connection with them. This applies automatically, without further notice or amendment.

Initials — Section 4: ________ **AVLP initials:** ________

Conditions that apply to every deduction

- **Actual premium only.** The amount deducted is limited to the actual premium AVLP pays or incurs for Contractor's coverage, based on Contractor's payroll at the governing class code and AVLP's experience modifier. AVLP sets the stated percentage at or below that actual loaded rate. The deduction is not a fee, markup, service charge, or source of profit, and AVLP retains no portion of it.
- **Texas work only.** The deduction applies solely to compensation for Texas services and is suspended automatically for work performed elsewhere, without notice, election, or amendment. Where one engagement spans multiple states, it

applies only to the Texas portion. Several states prohibit collecting workers' compensation premium from a worker, and at least one extends that prohibition to independent contractors.

- **No coverage, no deduction.** No deduction is taken for any period before the DWC-081 is executed, for any period in which AVLP does not in fact provide coverage, or for work not covered by AVLP's policy.
- **Itemized and reconciled.** Each deduction is itemized separately on Contractor's invoice or remittance and identified as workers' compensation premium. After each annual premium audit AVLP reconciles amounts deducted against actual premium incurred, and credits or refunds any excess at Contractor's option. Contractor may request a written statement at any time.
- **Refund on reclassification.** If Contractor is determined to be an employee of AVLP by a court, agency, or the Division of Workers' Compensation, Contractor remains covered and AVLP refunds all amounts deducted as premium, as required by 28 Texas Administrative Code Section 112.101.
- **Prior charges superseded.** Any prior workers' compensation charge, fee, or percentage assessed against Contractor's invoices is superseded. AVLP will refund any prior amount collected for a period in which it did not in fact provide coverage, and any prior amount collected for services performed in a state whose law does not permit the collection.

5. TRACK 2 — WHAT THE COVERAGE DOES AND DOES NOT INCLUDE

It covers	It does not cover
Statutory workers' compensation benefits — medical treatment, indemnity or wage-replacement benefits, and death benefits — for occupational injury or illness arising out of and in the course of services performed for AVLP, in the amounts and on the terms set by the law of the state where the work is performed.	• Health, disability, or life insurance for non-occupational conditions. • Unemployment insurance, paid leave, retirement, or any other employee benefit. • Your tools, equipment, vehicles, or other personal property. • Any helper, substitute, or subcontractor brought to the site without AVLP's prior written approval. • Work in a monopolistic state before AVLP confirms state-fund coverage in writing under Section 2. • Work you perform for any party other than AVLP.

State law controls. The mandatory law of the state where services are performed controls. If that law requires coverage, prohibits a pre-injury waiver, requires a specific state form, or treats you as an employee, that law applies and any conflicting provision here is limited only to the minimum extent necessary. **No deduction is taken under Section 4 for services performed in any state that does not permit it, and if any inconsistent amount has been collected AVLP will refund it promptly.**

This form supplements — and does not replace — the AVLP Independent Contractor Agreement, the applicable work order or booking confirmation, site rules, Form DWC-081, and any other required government filing, and supersedes any prior AVLP workers' compensation election form. Where requirements differ, the stricter lawful insurance or safety requirement controls. Site safety, assumption of risk, and indemnity are governed by the Independent Contractor Agreement. Certificates of insurance and endorsements required by a client or venue are also governed by that Agreement and are emailed to nickc@avlaborpros.com. May be signed electronically and in counterparts.

6. CERTIFICATION AND SIGNATURES

Track designation: ☐ Track 1 — own coverage, COI provided ☐ Track 2 — covered under AVLP policy	**Certificate of insurance attached:** ☐ Yes ☐ No ☐ Not applicable (Track 2)
Contractor signature:	**Date:**
Contractor printed name:	**AVLP authorized representative / date:**