

Owner-operators. Clearer records. Fewer audit surprises.



What you pay an owner-operator and what counts as workers' compensation payroll may differ. Start with the arrangement, the records, and the applicable state rule.

Your topic path

Understand the exposure > Follow the math > Check your state > Prepare the file > Connect your DOT report and renewal

For motor-carrier owners and authorized employer teams. Retail agents and wholesalers can use the same checklist to support their clients.

The working arrangement comes first.

1. Identify the work and relationship.

Is the arrangement a vehicle furnished with a driver? Which state law and policy period apply? A 1099 alone does not settle the employment or coverage question.

2. Check acceptable coverage evidence.

Gather certificates and supporting coverage records for the dates of work. Have your insurance professional confirm what satisfies the applicable rule.

3. Obtain actual driver payroll when available.

For qualifying uninsured vehicle-with-driver exposure, the North Carolina example rule uses actual payroll when obtainable. A contract-based fraction may apply when payroll cannot be obtained or the owner-operator has no set payroll.

4. Check the contract adjustments.

North Carolina requires separately supplied fuel, maintenance, and certain other services to be added before applying its one-third amount. Keep records showing what is included and what is supplied separately.

Ask this before renewal

"Which rule applies to these contracts, what evidence do you need, and how should we report this exposure throughout the policy term?"

Vehicle-with-driver rules are not general construction subcontractor rules. Carrier appetite and audit payroll calculation are separate questions.

Source: [NCRB Basic Manual, Rule 2-H, Table 3](#)

Payroll basis is not the premium.

Illustration: assume the applicable rule permits one-third and \$100,000 is the adjusted contract amount. Actual driver payroll is unavailable. This is an educational example, not a quote.

Step	Calculation	Amount
Contract amount	After applicable adjustments	\$100,000.00
Payroll basis	$\$100,000 / 3$	\$33,333.33
Hypothetical base premium	$\text{Payroll} / 100 \times \10	\$3,333.33

Read the assumptions

The \$10 rate is hypothetical.

The example excludes experience modification, policy charges, assessments, classification effects, minimum premiums, and other applicable adjustments. It predicts neither final cost nor savings.

The fraction is conditional.

Do not use one-third merely because a payment appears on a 1099. Establish exposure, the applicable state rule, coverage evidence, and payroll availability first.

Class code is a separate determination.

A USDOT number does not establish class code 7219. Ask the reviewer to confirm the classification for the actual work.

Three examples. Different review paths.

North Carolina / one-third when the rule applies

For qualifying vehicle-with-driver exposure without acceptable coverage evidence, Rule 2-H, Table 3 prioritizes obtainable payroll; otherwise it uses one-third of the adjusted contract amount in the specified circumstances.

[NCRB Rule 2-H, Table 3](#)

Minnesota / 25% when the rule applies

The MWCIA Basic Manual, Rule 2-H, Table 3 uses 25% when payroll cannot be obtained or the owner-operator has no set payroll. Its rule also addresses separately supplied services. A \$100,000 adjusted amount produces a \$25,000 payroll basis under those assumptions.

[MWCIA Basic Manual, page R29 \(PDF page 33\)](#)

California / determine status first

A 1099 does not establish independent-contractor status. Determine the applicable employment or independent-contractor treatment, including statutory tests and exceptions, then determine the premium basis. Do not apply an automatic owner-operator percentage.

Confirm the treatment for the actual working arrangement and policy period with a California insurance professional.

Other states and multistate operations: confirm the applicable current manual, policy period, and law with your insurance professional. This guide is not a nationwide rules engine.

Your audit-readiness checklist.

☐ **Contracts and settlements**

Vehicle-and-driver agreements, payment summaries, and services included.

☐ **Coverage evidence**

Certificates and supporting coverage records for the dates of work.

☐ **Payroll availability**

Actual driver payroll when available; identify owner-operators without set payroll.

☐ **Fuel and maintenance**

Who supplies each item, how it is paid, and separately identified surcharges.

☐ **States and work**

Drivers, vehicles, actual operations, and the states connected to the exposure.

☐ **Policy details**

Legal insured name, business address, workers' comp renewal date, and existing agent contact.

Bring the file to a person. A licensed insurance professional can help review the contracts, classification, coverage evidence, and audit basis. Where a FastechHR program may fit, the team can help prepare information for review while preserving the existing agent relationship.

Use secure submission when a reviewer requests documents. Keep payroll records, claim information, and mod worksheets out of public chat.

DOT report + renewal + the next question.

Your DOT report

Organizes available public carrier facts and their sources. It does not calculate a workers' compensation experience mod.

Your experience modification report

Often called an ex-mod or mod worksheet, it explains a rating factor based on business loss experience compared with expected experience for similar work. Not every employer has one.

Start with your verified carrier record

Confirm your USDOT number and company.

Enter your workers' compensation renewal date, or choose "I do not have coverage."

Choose Yes or No to help obtaining your most recent available experience-mod report.

If Yes, confirm the legal business name and address for the policy, and permission to assist with the request.

The request is saved with your DOT report for review. The relevant policy renewal date is required before attempting retrieval. Without current coverage, we follow up for the prior policy date. A person checks bureau availability and any required authorization. This does not change your agent or automatically retrieve a report.

[Get your DOT report at WorkCompFinder.com](#)

[Open the online owner-operator guide](#)

Source: NCCI, ABCs of Experience Rating