Application for Worker’s Compensation Insurance Coverage
Instructions/Information

Montana State Fund (MSF) is a nonprofit, publicly owned workers’ compensation insurer. Any employer with employees hired to work in Montana may apply for coverage.

How to Obtain Coverage

All sections of the application must be fully completed. A separate application must be completed for each single legal entity. Separate entities, even though they may have common ownership, may not be insured on the same policy. Call, write or access our website at www.iiamt.org, if you need additional applications.

A MSF policy will provide coverage for all of your employees who are required to be covered by Montana law.

An enrolled tribal member or business at least 51 percent owned by an enrolled tribal member, who operates solely within the exterior boundaries of an Indian reservation, is not required to provide workers’ compensation coverage for any employee. If an enrolled tribal member chooses to provide coverage through MSF, the policy will cover all employees and premium must be paid for all employees.

The application must have the original signature by an owner, officer or authorized representative of the business.

MSF will review your application and any previous or current policies. If we discover a previous delinquent State Fund policy, your application will not be considered for coverage unless all delinquent items are resolved within 30 days of the application. If more than 30 days elapse, we require another application. The earliest date coverage can become effective is on the day after a completed application is received in the Public Risk Insurance Management, Inc. (PRIM) office, we can not backdate policies.

Completing the Application (All Sections Must be fully Completed)
Business Information

Applicant name: if the business is a sole proprietorship or a partnership, enter the owner’s name(s) here. Otherwise, enter the legal business name.

Taxpayer Identification Number: enter your Federal Employer ID number (EIN). An EIN may be quickly obtained from the IRS on-line at www.irs.gov or by calling 1-800-829-4933. The IRS website contains information about businesses that are required to obtain an EIN. If your business is not required to obtain an EIN, a
Social Security number will suffice and will be used only for business identification purposes when policy information is reported to the regulatory authorities in Montana.

Mailing Address: enter your mailing address. All policy information is sent to the mailing address or you may choose to have all policy information sent to your accountant. If you designate your accountant as the recipient of all policy information, you will not receive any policy information at your mailing address. Indicate the accountant's name & address on page 3.

List all dba's: enter all business names that are used by the business.

Phone number: enter telephone number(s) for your business

E–mail address: enter e-mail addresses for your business

Years in business: enter the number of years in business

Type of business: check the box that describes your business entity type

Nat'l Council on Comp. Insurance Risk ID #: enter the ID number, if known

Locations

Enter physical addresses for all locations for the business

Policy Information

Be sure to complete all questions related to effecting coverage or obtaining a quotation.

Proposed effective date: enter the date you would like coverage to become effective (must be a date in the future).

Proposed expiration date: enter the date you would like coverage to expire. The expiration date cannot be more than 12 months from the effective date. To assure ease of reporting, we suggest you set an expiration date to coincide with your business processes and needs. If no specific date is requested, MSF will assign an expiration date.

Other states locations: enter any states (other than MT), in which you conduct business

Medical Deductible? If you wish to participate in the Medical Deductible program, check “yes”. For more information about the program, call MSF or access our website.
Employer's Liability Limits: Employers Liability Coverage provides you with additional insurance protection for work related injuries not covered under the Workers' Compensation Act. MSF policies provide employers liability insurance at the limits shown below at no additional cost:

$100,000 Bodily Injury by Accident - each accident  
$100,000 Bodily Injury by Disease - each employee  
$500,000 Bodily Injury by Disease - policy limit

Higher limits of liability are available for additional premium:

$500,000 Bodily Injury by Accident - each accident  
$500,000 Bodily Injury by Disease - each employee  
$500,000 Bodily Injury by Disease - policy limit

OR

$1,000,000 Bodily Injury by Accident - each accident  
$1,000,000 Bodily Injury by Disease - each employee  
$1,000,000 Bodily Injury by Disease - policy limit

Indicate the desired limits of liability on the application.

Rating Information

Fully complete the state, location #, description of employee’s duties, # of employees (both full time and part time) and estimated annual payroll. You should group employees together based on their duties.

Ownership information and coverage selection

List all requested information and indicate if coverage is desired. If so, indicate the desired coverage amount.

Prior carrier information and loss history

Fully complete all information for the past five years. If the business was previously insured with another insurance company, obtain a “loss run” from your prior insurance company and submit it with your application.

If there was no prior insurance carrier, please state, “no prior insurance.”
Description of Business Operations

Provide a detailed explanation of the entire business operations, at least a minimum of three descriptive sentences. The applications will not be accepted if the description is not complete.

General Information

Answer each question and provide a detailed explanation of all “yes” responses.

Are you a member of the following? If you are a member of one of the listed organizations, you may be eligible to participate in a MSF group program. Contact your association for further information about MSF group programs.

Elective coverage: A MSF policy will automatically provide coverage for all employees required to be covered under Montana law. Certain employments do not require coverage but coverage may be elected, subject to MSF approval. Check the appropriate boxes in this section to request to elect coverage. You may request elections of coverage at any time.

The following employments are exempt and do not require coverage:

• Sole proprietors, working members of a partnership, and working members of a limited liability partnership and working members of a member-managed limited liability company.

  Important: A sole proprietor, working member of a partnership, working member of a limited liability partnership, or a working member of a member-managed limited liability company who regularly and customarily performs services at a location other than their own fixed business location must either obtain an independent contractor exemption certificate or elect to obtain workers’ compensation insurance coverage on themselves.

• Dependent members of an employer’s family or spouse for whom an exemption may be claimed by the employer under the Federal Internal Revenue Code. This provision only applies to sole proprietorships and partnerships.

• Household or domestic employees whose typical duties include house cleaning and yard work. Employees whose duties include home health care or domiciliary care are not household or domestic employees.

• Casual employment that is not part of the usual business of the employer. Part-time, short-term, or occasional employees who perform duties that are part of the employer’s usual business are not casual employees.
• Persons working in return for aid or sustenance only.

• Volunteer workers. However, the following volunteer workers are not exempt:
  • air search and rescue volunteers employed by the Montana Department of Transportation (Section 67-2-105, MCA)
  • volunteer reserve or auxiliary officers providing service to a local law enforcement agency (Section 7-32-203, MCA); and
  • volunteer fire fighters, except those who provide service to a second class city
  • Amateur athletic officials, including a timer, referee, umpire or judge.
  • Real estate, securities or insurance salespersons paid only by commission with no guarantee of minimum earnings.
  • Direct home sellers of consumer products.
  • Newspaper carriers who deliver singles or bundles of newspapers and have acknowledged noncoverage in writing.
  • Free-lance correspondents, who submit articles or photos for publication, are paid for each item and have acknowledged no coverage in writing.
  • Licensed barbers or cosmetologists who contract with cosmetology establishments.
  • Petroleum land professionals.
  • Licensed jockeys riding in a horse race, from the time the jockey reports to the scale room through the time that the jockey is weighed out after a race. The jockey must acknowledge no coverage in writing.
  • Licensed trainers, assistant trainers, exercise person or pony person while on the grounds of a licensed horse race meet.
  • Employees who are not residents of Montana and their primary duties are not regularly conducted within Montana. If a nonresident employee performs most of their work outside Montana, the employer must comply with the coverage requirements where the employee resides or performs work. EXCEPTION: Employers working in the construction industry must provide Montana coverage for all employees, both resident and nonresident, while working in Montana.
  • Officers or managers of a private, non-profit, irrigation ditch company or water user cooperative, corporation, association, or organization.
  • An ordained, commissioned, or licensed minister of a church or a member of a religious order.
  • Persons providing companionship services or respite care for individuals who cannot care for themselves. The person providing the services or care must be employed directly by a family member or a legal guardian.
  • Professional athletes on a team or club engaged in contact sports. Contact sports include but are not limited to football, hockey, roller derby, rugby, lacrosse, wrestling and boxing.
  • A person performing the services of an intrastate or interstate common or contract motor carrier when hired by an individual or entity who meets the definition of a freight broker.
• Corporate officers or managers of a manager-managed limited liability company (LLC) who meet any of the following requirements:
  1. Is not engaged in performing the ordinary duties of a worker and does not receive any pay.
  2. Performs mainly household duties.
  3. Owns 20 percent or more of the number of shares of stock in the corporation or 20 percent or more of the limited liability company.
  4. Is the spouse, child, adopted child, stepchild, mother, father, son-in-law, daughter-in-law, nephew, niece, brother, or sister of a corporate officer or LLC manager who owns 20 percent or more of the corporation or limited liability company.
  5. Owns less than 20 percent of the corporation or limited liability company, but when the officer or manager's ownership is added together with one or more of the family members listed in number 4 above, the ownership equals 20 percent or more.

The State Fund does not provide coverage for:
  1. Corporate officers or limited liability company managers who fail to satisfy any of the five elective criteria listed in the above paragraph and,
  • are not engaged in performing the ordinary duties of a worker and,
  • do not receive pay and
  • do not reside in and do not work in Montana.

NOTE: Corporate officers or limited liability company managers who fail to satisfy any of the five elective criteria, and who receive pay from the corporation or limited liability company for the performance of ordinary duties are automatically covered.

Other Important Information

Independent Contractors

The law requires that independent contractors either have the exemption certificate or purchase workers' compensation insurance coverage on them. Failure to obtain the exemption certificate or workers' compensation insurance will result in the worker being treated as an employee of the hiring agent. Hiring agents will be responsible for claims for injuries or occupational diseases and for payment of premium on the wages of those considered their employees.

To be conclusively presumed to be an independent contractor, the Department of Labor & Industry (DLI) must approve an application for an IC exemption certificate based upon a submission of a complete application after April 28, 2005, and the person must be working under the IC exemption certificate.
Under the law, an independent contractor is a person who regularly and customarily performs services at a location other than their own fixed business location. A "person" means a sole proprietor, a working member of a partnership, a working member of a limited liability partnership, or a working member of a member-managed limited liability company. To be “working under” an IC exemption certificate, the worker must be performing the occupation listed on the certificate and the hiring agent and the independent contractor must not have a written or an oral agreement that the independent contractor's certificate holder's status is that of an employee.

DLI has the authority to investigate the working relationship between an independent contractor and the hiring agent. DLI may suspend or revoke an independent contractor exemption certificate. Fines may be assessed against the hiring agent if control is exerted to the extent it creates an employer/employee relationship.

IC certificate holders are required to keep the information on their certificate current. For more information, refer to DLI's website at www.mtcontractor.com or call (406)444-9029.

Certification

The application must be signed by an owner, officer or authorized representative of the business.

Review the application

Please review the application, use the submission checklist. Be sure you have completed all areas and the application has been signed. An incomplete or unsigned application may be returned and cause delays in coverage.

Finally, make a copy of the application for your records. PRIM will review all applications and will quote the application and return the quote to the agent. Once the applicant decides they want coverage, the original completed application, along with the amount due to establish coverage, must be sent to:

PRIM
3131 Dredge Dr.
Helena, MT 59602