

# Principals & Family Members – Coverage Summary

**Legend:** E = Excluded I = Included  
 \* = See [Principal Spec. Hand. Rules](#) † = See [Family Rules](#)



State	Sole Proprietorship			Partnership			Corporation			LLC		
AL	Owner	E	May elect	Partner	E	May elect	Officer	I	May elect	Member (as officer)	I	May elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
AK	Owner	E	May elect	Partner	E	May elect	Officer	<u>I*</u>	May elect	Member (as partner)	E	May elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
AZ	Owner	E	May elect	Partner	E	May elect	Officer	<u>*</u>	Some may elect	Member	<u>*</u>	Some may elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
AR	Owner	I	May elect	Partner	I	May elect	Officer	I	May elect	Member	<u>I*</u>	May elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
CA	Owner	E	May elect	Partner	<u>I*</u>	Some may elect	Officer	<u>I*</u>	Some may elect	Member (as partner)	<u>I*</u>	May elect
	Family	<u>E†</u>	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
CO	Owner	E	May elect	Partner	E	May elect	Officer	<u>I*</u>	May elect	Member (as officer)	<u>I*</u>	Some may elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
CT	Owner	E	May elect	Partner	I	May elect	Officer	I	May elect	Member	<u>*</u>	May elect
	Family	<u>I†</u>	Cannot Elect	Family	<u>I†</u>	Cannot elect	Family	<u>I†</u>	Cannot elect	Family	<u>I†</u>	Cannot Elect
DE	Owner	<u>E*</u>	May elect	Partner	<u>E*</u>	May elect	Officer	<u>I*</u>	May elect	Member (as officer)	<u>I*</u>	Some may elect
	Family	I	May elect	Family	I	May elect	Family	I	May elect	Family	I	May elect
DC	Owner	<u>E*</u>	May elect	Partner	<u>E*</u>	May elect	Officer	I	May elect	Member	I	May elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
FL	Owner	<u>E*</u>	May elect	Partner	<u>E*</u>	May elect	Officer	<u>I*</u>	May elect	Member (as officer)	<u>I*</u>	Some may elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
GA	Owner	E	May elect	Partner	E	May elect	Officer	<u>I*</u>	Some may elect	Member (as officer)	<u>I*</u>	Some may elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
HI	Owner	E	May elect	Partner	E	May elect	Officer	<u>I*</u>	May elect	Member (as officer)	<u>*</u>	Some may elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
ID	Owner	E	May elect	Partner	E	May elect	Officer	<u>E*</u>	Some may elect	Member (as officer)	E	May elect
	Family	<u>E†</u>	Some may elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
IL	Owner	<u>E*</u>	May elect	Partner	<u>E*</u>	May elect	Officer	I	May elect	Member (as partner)	<u>E*</u>	May elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
IN	Owner	E	May elect, if active	Partner	E	May elect, if active	Officer	<u>I*</u>	Some may elect	Member (as partner)	E	May elect, if active
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
IA	Owner	<u>E*</u>	May elect, if active	Partner	<u>E*</u>	May elect, if active	Officer	<u>I*</u>	Some may elect	Member (as officer)	<u>E*</u>	May elect, if active
	Family	<u>I†</u>	Cannot elect	Family	<u>I†</u>	Cannot elect	Family	<u>I†</u>	Cannot elect	Family	<u>I†</u>	Cannot elect
KS	Owner	E	May elect	Partner	E	May elect	Officer	<u>I*</u>	Some may elect	Member (as partner)	E	May elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect

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State	Sole Proprietorship			Partnership			Corporation			LLC		
KY	Owner	E	May elect	Partner	E	May elect	Officer	I	May elect	Member (as partner)	<u>L*</u>	Some may elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
LA	Owner	I	May elect	Partner	I	May elect	Officer	<u>L*</u>	Some may elect	Member (as officer)	<u>L*</u>	Some may elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
ME	Owner	E	May elect	Partner	E	May elect	Officer	<u>L*</u>	Some may elect	Member	E	May elect
	Family	<u>L†</u>	May elect	Family	<u>L†</u>	May elect	Family	<u>L†</u>	Some may elect	Family	<u>L†</u>	May elect
MD	Owner	E	May elect	Partner	E	May elect	Officer	<u>L*</u>	Some may elect	Member (as officer)	<u>L*</u>	Some may elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
MA	Owner	<u>E*</u>	May elect	Partner	<u>E*</u>	May elect	Officer	<u>L*</u>	Some may elect	Member (as officer)	<u>E*</u>	May elect
	Family	<u>L†</u>	Cannot elect	Family	<u>L†</u>	Cannot elect	Family	<u>L†</u>	Cannot elect	Family	<u>L†</u>	Cannot elect
MI	Owner	E	Cannot elect	Partner	I	May elect	Officer	<u>L*</u>	Some may elect	Member (as officer)	<u>L*</u>	Some may elect
	Family	I	May elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
MN	Owner	E	May elect	Partner	E	May elect	Officer	<u>L*</u>	Some may elect	Member (as officer)	<u>*</u>	Some may elect
	Family	<u>E†</u>	May elect	Family	<u>E†</u>	May elect	Family	<u>L†</u>	Some may elect	Family	<u>L†</u>	Some may elect
MS	Owner	E	May elect	Partner	E	May elect	Officer	<u>L*</u>	May elect	Member (as partner)	E	May elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
MO	Owner	<u>E*</u>	May elect	Partner	<u>E*</u>	May elect	Officer	<u>L*</u>	Some may elect	Member (as officer)	<u>L*</u>	May elect
	Family	<u>L†</u>	May elect	Family	<u>L†</u>	May elect	Family	<u>L†</u>	Cannot elect	Family	<u>L†</u>	Cannot elect
MT	Owner	E	May elect	Partner	E	May elect	Officer	<u>L*</u>	Some may elect	Member (depends)	<u>*</u>	Some may elect
	Family	<u>E†</u>	Cannot elect	Family	<u>E†</u>	Cannot elect	Family	<u>E†</u>	Some may elect	Family	<u>L†</u>	Some may elect
NE	Owner	E	May elect	Partner	E	May elect	Officer	<u>L*</u>	May elect	Member (as partner)	E	May elect, if active
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
NV	Owner	<u>E*</u>	Some may elect	Partner	<u>E*</u>	May elect	Officer	<u>L*</u>	May elect	Member (as officer)	<u>L*</u>	Some may elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
NH	Owner	E	May elect	Partner	E	May elect	Officer	<u>L*</u>	Some may elect	Member (as officer)	<u>L*</u>	Some may elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
NJ	Owner	E	May elect	Partner	<u>E*</u>	May elect	Officer	<u>L*</u>	Cannot elect	Member (as officer)	<u>E*</u>	Some may elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
NM	Owner	I	May elect	Partner	E	May elect	Officer	<u>L*</u>	Some may elect	Member (as officer)	<u>L*</u>	Some may elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
NY	Owner	<u>E*</u>	May elect	Partner	<u>E*</u>	May elect	Officer	<u>L*</u>	May elect	Member (as partner)	<u>E*</u>	May elect
	Family	<u>L†</u>	Cannot elect	Family	<u>L†</u>	Cannot elect	Family	<u>L†</u>	Cannot elect	Family	<u>L†</u>	Cannot elect
NC	Owner	E	May elect	Partner	E	May elect	Officer	I	May elect	Member (as partner)	E	May elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
ND	Monopolistic											
OH	Monopolistic											

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State	Sole Proprietorship			Partnership			Corporation			LLC		
OK	Owner	E	May elect	Partner	E	May elect	Officer	<u>*</u>	Some may elect	Member (as partner)	<u>*</u>	May elect
	Family	<u>†</u>	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
OR	Owner	E	May elect	Partner	<u>E*</u>	May elect	Officer	<u>*</u>	Some may elect	Member (as officer)	<u>E*</u>	Some may elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	<u>†</u>	Cannot elect	Family	<u>†</u>	Cannot elect
PA	Owner	E	May elect	Partner	E	May elect	Officer	I	May elect	Member (as partner)	E	May elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
RI	Owner	E	Cannot elect	Partner	E	Cannot elect	Officer	<u>*</u>	May elect	Member (as officer)	<u>*</u>	May elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
SC	Owner	E	May elect	Partner	E	May elect	Officer	I	May elect	Member (as partner)	E	May elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
SD	Owner	E	May elect	Partner	E	May elect	Officer	<u>*</u>	May elect	Member (as officer)	<u>*</u>	May elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
TN	Owner	<u>E*</u>	May elect	Partner	<u>E*</u>	May elect	Officer	<u>*</u>	May elect	Member (as partner)	<u>*</u>	Some may elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
TX	Owner	I	May elect	Partner	I	May elect	Officer	<u>*</u>	May elect	Member (as officer)	<u>*</u>	May elect
	Family	<u>†</u>	Cannot elect	Family	<u>†</u>	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
UT	Owner	E	May elect	Partner	E	May elect	Officer	<u>*</u>	Some may elect	Member (as partner)	<u>*</u>	Some may elect
	Family	<u>†</u>	Cannot elect	Family	<u>†</u>	Cannot elect	Family	<u>†</u>	Cannot elect	Family	<u>†</u>	Cannot elect
VT	Owner	E	May elect	Partner	E	May elect	Officer	I	May elect	Member (as officer)	<u>*</u>	May elect
	Family	<u>†</u>	Cannot elect	Family	<u>†</u>	Cannot elect	Family	<u>†</u>	Cannot elect	Family	<u>†</u>	Cannot elect
VA	Owner	E	May elect	Partner	E	May elect	Officer	I	May elect	Member (depends)	<u>*</u>	May elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
WA	Monopolistic											
WV	Owner	I	May elect	Partner	I	May elect	Officer	<u>*</u>	Some may elect	Member (as officer)	<u>*</u>	May elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
WI	Owner	E	May elect	Partner	E	May elect	Officer	<u>*</u>	Some may elect	Member (as partner)	E	May elect
	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect	Family	I	Cannot elect
WY	Monopolistic											

## \* Principal Special Handling Rules

In reading this chart, the following expressions are used:

- “Elect to be covered” or “elect coverage” means to choose to be included in exposure, subject to payroll limitations for the entity type and state. This requires an inclusion endorsement.
- “Elect to be exempt” means to choose to be excluded from exposure. This requires an exclusion endorsement.
- To be exempted means that an exclusion endorsement must be signed to exclude the principal(s).
- Example:
  - For Georgia, it says “Corporations may exempt no more than five corporate officers.”
  - This would not mean that up to five are automatically excluded. It means that up to five may sign an exclusion endorsement.
- “Reject coverage” means to sign an exclusion endorsement.
- To “exempt from provisions of the workers’ compensation act” means to sign an exclusion endorsement.
- “Statutorily excluded from coverage” means that the principal(s) applicable are excluded because of state law (statute) and would not need an exclusion endorsement.
- “Are exempt” means that the principals are excluded by state law and no exclusion endorsement is necessary.

STATE	SPECIAL HANDLING RULES FOR PRINCIPALS
* Alaska	<u>Non-Profit Corporations</u> : <ul style="list-style-type: none"> <li>• Executive officers are excluded but may elect to be covered.</li> </ul>
* Arizona	<i>Policies Effective Until 7/1/19:</i> <u>LLCs</u> : <ul style="list-style-type: none"> <li>• The state of Arizona has no official statute addressing the treatment of LLC members.</li> <li>• The LLC handling must be addressed by each carrier.</li> <li>• In the past, the FAQ section of the website for the Industrial Commission of Arizona had said to treat LLC companies like they were taxed. Such instructions have been removed from the FAQ since at least 2011 and these instructions no longer exist.</li> </ul> <u>Corporations</u> : <ul style="list-style-type: none"> <li>• Active officers are included but may reject coverage.</li> </ul> <i>Policies Effective 7/1/19 &amp; Later:</i> <u>LLCs</u> : <ul style="list-style-type: none"> <li>• Members With at Least 50% Ownership:               <ul style="list-style-type: none"> <li>○ Active members are excluded but may elect to be covered.</li> </ul> </li> </ul>

STATE	SPECIAL HANDLING RULES FOR PRINCIPALS
	<ul style="list-style-type: none"> <li>• Members With Less Than 50% Ownership: <ul style="list-style-type: none"> <li>○ Active members are included.</li> </ul> </li> </ul> <p><u>Corporations:</u></p> <ul style="list-style-type: none"> <li>• Shareholders With at Least 50% Ownership: <ul style="list-style-type: none"> <li>○ Active shareholders are excluded but may elect to be covered.</li> </ul> </li> <li>• Shareholders With Less Than 50% Ownership: <ul style="list-style-type: none"> <li>○ Active shareholders are included.</li> </ul> </li> <li>• Shareholder vs Officer Terms: <ul style="list-style-type: none"> <li>○ Please note that the term used in Arizona law is <i>shareholder</i> and not <i>officer</i>, meaning that there is no legal requirement for the shareholder to be named as an officer for these criteria to apply.</li> <li>○ These criteria apply to anyone who owns at least one share of a corporation.</li> </ul> </li> </ul>
* Arkansas	<p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>• Applies to members devoted full-time to the business. Members may elect to be exempt.</li> </ul>
* California	<p><b>Before 1/1/17:</b></p> <p><u>Corporations:</u></p> <ul style="list-style-type: none"> <li>• <u>Closed Corporations:</u> <ul style="list-style-type: none"> <li>○ Paid active officers are included and only those with ownership can be excluded by endorsement.</li> <li>○ Unpaid officers are statutorily excluded and cannot elect coverage.</li> <li>○ Inactive officers, even if paid, cannot be covered.</li> </ul> </li> <li>• <u>Open Corporations:</u> <ul style="list-style-type: none"> <li>○ Paid active officers are included and cannot be excluded by endorsement.</li> <li>○ Unpaid officers are statutorily excluded and cannot elect coverage.</li> <li>○ Inactive officers, even if paid, cannot be covered.</li> </ul> </li> </ul> <p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>• Working members are included and can be excluded by endorsement.</li> </ul> <p><u>Partnerships:</u></p> <ul style="list-style-type: none"> <li>• Working partners are included and can be excluded by endorsement.</li> <li>• Husband-wife sole proprietorships are treated as partnerships under WC rules, including the rules for inclusion and exclusion.</li> </ul> <p><b>Effective 1/1/17:</b> <i>(These changes came into effect mid-policy period)</i></p> <p><u>Corporations:</u></p>

STATE	SPECIAL HANDLING RULES FOR PRINCIPALS
	<ul style="list-style-type: none"> <li>• Officers providing services for pay are included.</li> <li>• Those with at least 15% ownership can be excluded and it requires both an exclusion endorsement and written waiver.</li> <li>• Those with less than 15% ownership cannot be excluded by endorsement.</li> </ul> <p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>• Working members are included and cannot be excluded by endorsement.</li> <li>• Managing members are included, though they can be excluded, but it requires both an exclusion endorsement and written waiver.</li> </ul> <p><u>Partnerships:</u></p> <ul style="list-style-type: none"> <li>• Working partners are included and cannot be excluded by endorsement.</li> <li>• General partners are included, though they can be excluded, but it requires both an exclusion endorsement and written waiver.</li> <li>• Husband-wife sole proprietorships are treated as partnerships under WC rules, including the rules for inclusion and exclusion.</li> </ul> <p><b>Effective 7/1/18:</b></p> <p><u>Corporations:</u></p> <ul style="list-style-type: none"> <li>• Officers providing services for pay are included.</li> <li>• Those with at least 10% ownership can be excluded, but it requires both an exclusion endorsement and written waiver.</li> <li>• Those with at least 1% ownership can be excluded (but it requires both an exclusion endorsement and written waiver) if: <ul style="list-style-type: none"> <li>○ His or her parent, grandparent, sibling, spouse, or child has at least 10% ownership.</li> <li>○ He or she is covered by a health insurance policy or health care service plan.</li> </ul> </li> <li>• Officers who are the sole shareholders of a corporation are statutorily excluded but may elect coverage.</li> </ul> <p><u>Professional Corporations:</u></p> <ul style="list-style-type: none"> <li>• Officers of PCs who are practitioners of the profession for which the PC is organized are statutorily included.</li> <li>• They may be excluded, but it requires both an exclusion endorsement and written waiver, and they must also be covered by: <ul style="list-style-type: none"> <li>○ A health care service plan or health insurance policy; and</li> <li>○ A disability insurance policy that is comparable to a workers' compensation policy.</li> </ul> </li> <li>• Officers who are the sole shareholders of a PC are statutorily excluded but may elect coverage.</li> </ul>

STATE	SPECIAL HANDLING RULES FOR PRINCIPALS
	<p><u>Cooperative Corporations:</u></p> <ul style="list-style-type: none"> <li>• Officers and members of the board of directors are statutorily included.</li> <li>• They may be excluded, but it requires both an exclusion endorsement and written waiver, and they must also be covered by: <ul style="list-style-type: none"> <li>○ A health care service plan or health insurance policy; and</li> <li>○ A disability insurance policy that is comparable to a workers' compensation policy.</li> </ul> </li> <li>• Officers who are the sole shareholders of a private cooperative corporation are statutorily excluded but may elect coverage.</li> </ul> <p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>• Working members are included and cannot be excluded by endorsement.</li> <li>• Managing members are included, though they can be excluded, but it requires both an exclusion endorsement and written waiver.</li> </ul> <p><u>Partnerships:</u></p> <ul style="list-style-type: none"> <li>• Working partners are included and cannot be excluded by endorsement.</li> <li>• General partners are included, though they can be excluded, but it requires both an exclusion endorsement and written waiver.</li> <li>• Husband-wife sole proprietorships are treated as partnerships under WC rules, including the rules for inclusion and exclusion.</li> </ul> <p><u>Trusts:</u></p> <ul style="list-style-type: none"> <li>• Those who have the power to revoke a trust (with respect to shares of a private corporation held in trust, or general partnership held in trust, or LLC interests held in trust) are statutorily included.</li> </ul> <p>Depending on the type of shares held (corporation, partnership, LLC) they can reject coverage by the same criteria for the applicable entity type.</p>
* <b>Colorado</b>	<p><u>Corporations:</u></p> <ul style="list-style-type: none"> <li>• Officers may elect to be excluded if they own at least 10% of the corporate stock.</li> </ul> <p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>• Members are defined as those having at least 10% ownership and who control, supervise, or manage the business affairs of the LLC.</li> <li>• Such members may elect to be exempt.</li> </ul>
* <b>Connecticut</b>	<p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>• The members of single-member LLCs are excluded but may elect to be covered.</li> <li>• The members of multiple-member LLCs are included but may elect to be exempt.</li> </ul>

STATE	SPECIAL HANDLING RULES FOR PRINCIPALS
* Delaware	<p><u>Sole Proprietorships &amp; Partnerships:</u></p> <ul style="list-style-type: none"> <li>• For businesses that are contractors, principals must be covered in one of these two ways: <ul style="list-style-type: none"> <li>○ Inclusion on their own policy.</li> <li>○ Be included in coverage on the policy of the entity hiring them.</li> </ul> </li> </ul> <p><u>Corporations:</u></p> <ul style="list-style-type: none"> <li>• No more than 8 employees who are officers with ownership may elect to be exempt.</li> <li>• Only 4 officers who are contractors may elect to be exempt.</li> </ul> <p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>• Members are included.</li> <li>• Up to 4 members may be excluded by endorsement.</li> </ul>
* District of Columbia	<p><u>Sole Proprietorships &amp; Partnerships:</u></p> <ul style="list-style-type: none"> <li>• Those meeting the definition of employee in <a href="#">DC Code section 32-1501(9)</a> are included and cannot elect to be exempt. Some categories that cannot be excluded are: <ul style="list-style-type: none"> <li>○ Secretaries, stenographers, or anyone performing services in the office of any member of Congress, or under the direction, employment, or at the request of any member of Congress.</li> <li>○ Those working for railroad companies that are engaged in commerce.</li> <li>○ Casual laborers who are not performing work in the usual operations of the business hiring them, unless the employee is performing domestic services at a private home.</li> <li>○ Real estate salespersons and brokers.</li> </ul> </li> </ul> <p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>• Rules for principal handling for LLCs are not addressed in DC laws.</li> </ul>
* Florida	<p><u>Corporations &amp; LLCs:</u></p> <ul style="list-style-type: none"> <li>• <u>Construction Risks:</u> <ul style="list-style-type: none"> <li>○ Principals are included.</li> <li>○ Up to three principals may be excluded by endorsement.</li> <li>○ Each principal must own at least 10% to be eligible for exclusion.</li> </ul> </li> <li>• <u>Non-Construction Risks:</u> <ul style="list-style-type: none"> <li>○ Principals are included.</li> <li>○ Principals may be excluded by endorsement. <ul style="list-style-type: none"> <li>• Members need to have 10% ownership to be eligible for exclusion.</li> </ul> </li> </ul> </li> <li>• <u>All Businesses:</u> <ul style="list-style-type: none"> <li>○ Unpaid active principals are excluded but may elect to be covered. They would be included at the minimum.</li> </ul> </li> </ul>



STATE	SPECIAL HANDLING RULES FOR PRINCIPALS
	<p><u>Sole Proprietorships &amp; Partnerships:</u></p> <ul style="list-style-type: none"> <li>• <u>Construction Risks:</u> <ul style="list-style-type: none"> <li>○ Sole proprietors and partners are automatically covered and cannot elect to be exempt.</li> </ul> </li> </ul>
* Georgia	<p><u>Corporations &amp; LLCs:</u></p> <ul style="list-style-type: none"> <li>• May exempt no more than five officers or members.</li> </ul>
* Hawaii	<p><u>Corporations:</u></p> <ul style="list-style-type: none"> <li>• Executive officers with 50% ownership or greater are excluded but may elect coverage.</li> <li>• Executive officers with less than 50% ownership are included and cannot reject coverage</li> <li>• For corporations without employees, unpaid corporate officers are not required to be included if they own at least 25% of the stock.</li> </ul> <p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>• Members with 50% ownership or greater are excluded but may elect coverage.</li> <li>• Members with less than 50% ownership are included and cannot reject coverage.</li> <li>• Included members are treated as corporate officers, using the payroll limitations of officers.</li> </ul>
* Idaho	<p><u>Corporations:</u></p> <ul style="list-style-type: none"> <li>• Officers who own at least 10% of the stock are excluded but may elect to be included.</li> <li>• Officers with less than 10% ownership are included.</li> </ul>
* Illinois	<p><u>Sole Proprietorships, Partnerships, &amp; LLCs:</u></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Illinois Extra-hazardous Rule ILCS 820/305/3</u></a>—states that sole proprietors and partners of extra-hazardous employments are automatically covered unless such individuals duly elect to be excluded.</li> <li>• LLCs are included in this interpretation.</li> <li>• Treatment of LLC members subject to insurance company decision.</li> </ul>
* Indiana	<p><u>Corporations:</u></p> <ul style="list-style-type: none"> <li>• Officers of single-officer corporations may elect to be excluded.</li> <li>• Officers who are employees (paid) may elect to be excluded.</li> <li>• Executive officers of a municipal corporation or governmental subdivision or a charitable, religious, education or other nonprofit corporation are excluded, but may elect to be covered.</li> </ul>
* Iowa	<p><u>All Entities:</u></p> <ul style="list-style-type: none"> <li>• The payroll amount for included principals, shown on a special endorsement, is selected by each entity and must fall within the corporate payroll limitations on the state rate page.</li> </ul> <p><u>Corporations:</u></p>

STATE	SPECIAL HANDLING RULES FOR PRINCIPALS
	<ul style="list-style-type: none"> <li>• Up to four executive officers of a corporation other than a family farm corporation may elect to be excluded.</li> </ul> <p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>• Members who are actively engaged on a substantially full-time basis may elect to be covered.</li> <li>• Included members are subject to payroll limitations of corporate officers.</li> </ul> <p><u>Sole Proprietorships &amp; Partnerships:</u></p> <ul style="list-style-type: none"> <li>• Sole proprietors and partners must do one of the following on the policy: <ul style="list-style-type: none"> <li>○ Elect coverage through an inclusion endorsement.</li> <li>○ Opt to be excluded via a “nonelection waiver”, which is to be attached to the policy.</li> </ul> </li> </ul>
* <b>Kansas</b>	<p><u>Corporations:</u></p> <ul style="list-style-type: none"> <li>• Executive officers who own 10% or more of the stock may elect to be excluded.</li> <li>• Employees who are shareholders with at least 10% ownership, who are not officers, may elect to be excluded.</li> </ul> <p><u>Non-Profit Corporations:</u></p> <ul style="list-style-type: none"> <li>• Non-compensated volunteer officers, directors, or trustees of nonprofit corporations may elect to be covered.</li> </ul>
* <b>Kentucky</b>	<p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>• Members are excluded.</li> <li>• <u>Qualified Members:</u> <ul style="list-style-type: none"> <li>○ These are members who participate in the decision-making process of the business and in the profit/loss of the LLC.</li> <li>○ Qualified members may be included by endorsement.</li> </ul> </li> <li>• <u>Non-Qualified Members:</u> <ul style="list-style-type: none"> <li>○ These are members who receive payroll for work performed, do not participate in the decision-making process of the business, and do not participate in the profit/loss of the LLC.</li> <li>○ Non-qualified members may not be included by endorsement.</li> </ul> </li> </ul>
* <b>Louisiana</b>	<p><u>Corporations &amp; LLCs:</u></p> <ul style="list-style-type: none"> <li>• Officers and members owning at least 10% of the stock may elect to be exempt.</li> <li>• Officers and members owning less than 10% of the stock may not elect to be exempt.</li> </ul>
* <b>Maine</b>	<p><u>Corporations:</u></p> <ul style="list-style-type: none"> <li>• Officers and non-officer shareholders owning at least 20% of the stock may elect to be exempt.</li> </ul>
* <b>Maryland</b>	<p><u>Corporations:</u></p> <ul style="list-style-type: none"> <li>• Unpaid officers are excluded.</li> <li>• Paid officers are covered, but some may reject coverage as follows:</li> </ul>

STATE	SPECIAL HANDLING RULES FOR PRINCIPALS
	<ul style="list-style-type: none"> <li>○ Officers of a close corporation (those where all ownership is held by officers) may reject coverage.</li> <li>○ Officers with at least 20% ownership in entities that earn at least 75% of income from farm operations.</li> <li>○ A maximum of 5 officers of corporations that are not close corporations may reject coverage.</li> </ul> <p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>● Members paid for work performed are included but may reject coverage if they have at least 20% ownership.</li> </ul>
* Massachusetts	<p><u>Sole Proprietorships, Partnerships, LLCs, &amp; LLPs:</u></p> <ul style="list-style-type: none"> <li>● Principals of these entities are excluded but may elect coverage.</li> </ul> <p><u>Corporations:</u></p> <ul style="list-style-type: none"> <li>● Officers who own at least 25% may reject coverage.</li> </ul>
* Michigan	<p><u>Corporations:</u></p> <ul style="list-style-type: none"> <li>● An executive officer with at least a 10% ownership of a corporation which has 10 stockholders or less may be excluded by endorsement.</li> </ul> <p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>● Members are included.</li> <li>● An active managing member of an LLC with no more than 10 members, and who has at least 10% ownership, may be excluded by endorsement.</li> </ul>
* Minnesota	<ul style="list-style-type: none"> <li>● If an exclusion endorsement is on the policy for any of the principals described below, it is not applicable; Minnesota statute takes precedence.</li> <li>● <u>Automatically Covered:</u> <ul style="list-style-type: none"> <li>○ <u>Corporations:</u> <ul style="list-style-type: none"> <li>● Officers of a closely held corporation with over 22,880 hours of payroll.</li> <li>● Officers of a corporation with &lt; 22,880 hours of payroll that is not closely held.</li> <li>● Officers who own &lt; 25% of the stock of a closely held corporation (unless they are also a family member of an officer with &gt; 25% of the stock).</li> </ul> </li> <li>○ <u>LLCs:</u> <ul style="list-style-type: none"> <li>● Members of an LLC having over 10 members.</li> <li>● Members of an LLC with more than 22,800 hours of payroll.</li> <li>● Members with less than 25% ownership interest.</li> </ul> </li> </ul> </li> <li>● <u>Excluded, but May Elect Coverage:</u> <ul style="list-style-type: none"> <li>● <u>Sole Proprietorships &amp; Partnerships:</u> <ul style="list-style-type: none"> <li>● Owners and partners.</li> </ul> </li> <li>○ <u>Corporations:</u></li> </ul> </li> </ul>

STATE	SPECIAL HANDLING RULES FOR PRINCIPALS
	<ul style="list-style-type: none"> <li>• Officers who own 25% or more of the stock of a closely held corporation [closely held = stock held by no more than 10 persons] with less than 22,880 hours of payroll (the equivalent of 11 full time employees) in the preceding calendar year.</li> <li>• Executive officers of family farm corporations.</li> <li>○ <u>LLCs</u>: <ul style="list-style-type: none"> <li>• Members of an LLC having ten or fewer members and having less than 22,800 hours of payroll in the preceding calendar year, if that member has at least 25% ownership.</li> </ul> </li> </ul>
* Mississippi	<p><u>Corporations</u>:</p> <ul style="list-style-type: none"> <li>• Officers must own at least 15% of the stock to be able to elect to be exempt.</li> </ul>
* Missouri	<p><u>Corporations, LLCs, Sole Proprietorships, &amp; Partnerships</u>:</p> <ul style="list-style-type: none"> <li>• <u>Included Principals</u>: <ul style="list-style-type: none"> <li>○ Included principals of these entity types must allocate 10% of their payroll exposure to Code 8810 or Code 8742 regardless of their governing classification.</li> <li>○ <u>Exceptions</u>: <ul style="list-style-type: none"> <li>• Allocation of payroll is not required for principals who are already classified in Code 8810 or Code 8742.</li> <li>• When the class assigned to the principal is lower rated than Code 8810, the 10% allocation is not allowed.</li> </ul> </li> <li>○ See <a href="#">Resource Library</a> → <a href="#">Missouri Principal Code Split – WC</a>.</li> </ul> </li> </ul> <p><u>Corporations</u>:</p> <ul style="list-style-type: none"> <li>• <u>1-2 Officers, No Other Employees</u>: <ul style="list-style-type: none"> <li>○ A corporation with no more than two officers who are also the only employees of the corporation can elect to be excluded.</li> </ul> </li> <li>• <u>Family Farm</u>: <ul style="list-style-type: none"> <li>○ Executives of a family farm corporation covered only if approved by Board of Directors.</li> </ul> </li> <li>• <u>All Other Officers</u>: <ul style="list-style-type: none"> <li>○ May not elect to be excluded.</li> </ul> </li> </ul>
* Montana	<p><u>Corporations</u>:</p> <ul style="list-style-type: none"> <li>• These officers are excluded, but may elect to be included by endorsement, subject to payroll limitations: <ol style="list-style-type: none"> <li>1) The principal is unpaid.</li> <li>2) The principal is engaged in primarily household employment (officer primarily works from the home in a clerical capacity).</li> <li>3) The principal owns 20% or more of the entity.</li> </ol> </li> </ul>

STATE	SPECIAL HANDLING RULES FOR PRINCIPALS
	<p>4) The principal owns less than 20% of the entity, but when their ownership percentage is combined with a relative, the total percentage is 20% or more.</p> <ul style="list-style-type: none"> <li>• Relatives allowed as qualifiers this rule: <ul style="list-style-type: none"> <li>○ Spouse, child, adopted child, step-child, mother, father, son-in-law, daughter-in-law, brother, sister, niece, nephew.</li> </ul> </li> </ul> <p>5) The principal is a relative of another principal described in #3 or #4 above.</p> <ul style="list-style-type: none"> <li>• Relatives allowed as qualifiers this rule: <ul style="list-style-type: none"> <li>○ Spouse, child, adopted child, step-child, mother, father, son-in-law, daughter-in-law, brother, sister, niece, nephew.</li> </ul> </li> </ul> <ul style="list-style-type: none"> <li>• <u>All Other Officers Having Less Than 20% Ownership:</u> <ul style="list-style-type: none"> <li>○ Included at actual pay, not subject to payroll limitations.</li> <li>○ May not be excluded by endorsement.</li> </ul> </li> </ul> <p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>• <u>Manager-Managed LLCs:</u> <ul style="list-style-type: none"> <li>○ These managers are excluded but may be included by endorsement if one of these criteria describes them: <ol style="list-style-type: none"> <li>1) The manager does not perform duties of worker for the LLC and is unpaid.</li> <li>2) The manager is engaged primarily in household employment.</li> <li>3) The manager owns at least 20% of the LLC.</li> <li>4) The manager owns less than 20% of the LLC, but when their ownership is combined with a relative, the total percentage is 20% or more. <ul style="list-style-type: none"> <li>○ Relatives allowed as qualifiers this rule: <ul style="list-style-type: none"> <li>• Spouse, child, adopted child, step-child, mother, father, son-in-law, daughter-in-law, brother, sister, niece, nephew.</li> </ul> </li> </ul> </li> <li>5) The principal is a relative of another principal described in #3 or #4 above. <ul style="list-style-type: none"> <li>○ Relatives allowed as qualifiers this rule: <ul style="list-style-type: none"> <li>• Spouse, child, adopted child, step-child, mother, father, son-in-law, daughter-in-law, brother, sister, niece, nephew.</li> </ul> </li> </ul> </li> </ol> </li> <li>○ Managers not meeting any of those criteria are excluded and cannot elect coverage when they meet one of these two criteria: <ul style="list-style-type: none"> <li>• The manager does not perform the duties of a worker for the LLC but is paid.</li> <li>• The manager performs the duties of a worker but is unpaid.</li> </ul> </li> </ul> </li> <li>• <u>Member-Managed LLCs:</u> <ul style="list-style-type: none"> <li>○ Members are excluded but can elect coverage.</li> </ul> </li> </ul>

STATE	SPECIAL HANDLING RULES FOR PRINCIPALS
* Nebraska	<p><u>Corporations:</u></p> <ul style="list-style-type: none"> <li>Executive officers with at least 25% ownership are excluded but may elect to be covered.</li> </ul> <p><u>Nonprofit Corporations:</u></p> <ul style="list-style-type: none"> <li>An executive officer who earns \$1,000 or less a year is excluded but may elect to be covered.</li> </ul>
* Nevada	<p><u>Sole Proprietorships &amp; Partnerships:</u></p> <ul style="list-style-type: none"> <li>Sole Proprietors and Partners electing coverage may opt for additional coverage at an increased deemed wage. (\$300/mo. or 1,800/mo.)</li> <li>If they are acting as a subcontractor with a contractor's license, the deemed wage is different (500/mo.) and they may not elect additional coverage and they may not reject coverage.</li> </ul> <p><u>Corporations:</u></p> <ul style="list-style-type: none"> <li>Paid officers with ownership are included but may be excluded by endorsement.</li> <li>Paid officers without ownership are included and may not be excluded by endorsement.</li> <li>Unpaid officers without ownership may be excluded by endorsement.</li> </ul> <p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>Unpaid managers and members may be excluded by endorsement.</li> <li>Paid managers and members who have no ownership may not be excluded by endorsement.</li> <li>Paid managers and members who have ownership may be excluded by endorsement.</li> </ul>
* New Hampshire	<p><u>Corporations &amp; LLCs:</u></p> <ul style="list-style-type: none"> <li>A maximum of 3 principals may be excluded by endorsement.</li> </ul>
* New Jersey	<p><u>Corporations:</u></p> <ul style="list-style-type: none"> <li>Paid officers with ownership are included but may be excluded by endorsement.</li> </ul> <p><u>Partnerships:</u></p> <ul style="list-style-type: none"> <li>Partners may only elect coverage if all the partners elect coverage.</li> <li>A partnership may not have some partners be included by endorsement while any other partner declines to be included by endorsement.</li> </ul> <p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>Members may only elect coverage if all the members elect coverage.</li> <li>An LLC may not have some members be included by endorsement while any other member declines to be included by endorsement.</li> </ul>
* New Mexico	<p><u>Corporations &amp; LLCs:</u></p> <ul style="list-style-type: none"> <li>Officers and members may elect to be excluded if they have at least 10% ownership.</li> </ul>
* New York	<p><u>Corporations:</u></p>

STATE	SPECIAL HANDLING RULES FOR PRINCIPALS
	<ul style="list-style-type: none"> <li>• <u>With One Officer Owning All Stock:</u> <ul style="list-style-type: none"> <li>○ Included, but may be excluded by endorsement.</li> </ul> </li> <li>• <u>With Two Officers Owning All Stock:</u> <ul style="list-style-type: none"> <li>○ Included.</li> <li>○ If both officers own at least one share, then either one or both may be excluded by endorsement.</li> </ul> </li> <li>• <u>Specific Business Types:</u> <ul style="list-style-type: none"> <li>○ Officers with the following business functions are excluded but may elect voluntary coverage: <ul style="list-style-type: none"> <li>• Religious</li> <li>• Charitable</li> <li>• Educational</li> <li>• Municipal</li> <li>• Organizations of veterans of any US war</li> </ul> </li> <li>○ Unpaid officers from these business types who elect coverage are to be included at \$100 in payroll exposure rather than at the minimum.</li> </ul> </li> <li>• <u>Inactive Officers:</u> <ul style="list-style-type: none"> <li>○ Inactive officers who are unable to reject coverage are to be included at \$100 in payroll exposure rather than at the minimum.</li> </ul> </li> <li>• <u>Code 8809:</u> <ul style="list-style-type: none"> <li>○ This state special code is applicable to included officers with qualifying duties.</li> </ul> </li> </ul> <p><u>Non-Profit Corporations &amp; Non-Profit Unincorporated Associations:</u></p> <ul style="list-style-type: none"> <li>• Unsalaries executive officers are included but may be excluded by endorsement.</li> <li>• Salaried executive officers are included and may not be excluded by endorsement.</li> </ul> <p><u>Sole Proprietorships, Partnerships, &amp; LLCs:</u></p> <ul style="list-style-type: none"> <li>• <u>With Employees:</u> <ul style="list-style-type: none"> <li>○ Principals are excluded but may elect coverage.</li> </ul> </li> <li>• <u>Without Employees:</u> <ul style="list-style-type: none"> <li>○ Principals are included.</li> </ul> </li> </ul> <p><u>Construction Businesses:</u></p> <ul style="list-style-type: none"> <li>• Included principals performing work qualifying for the construction payroll limitation are to have the construction payroll limitation applied instead of the normal payroll limitations for principals.</li> <li>• See <a href="#">Rules for New York Construction Payroll Limitation – WC</a> in <a href="#">Resource Library</a> → <a href="#">Zurich NA Profile</a>.</li> </ul>

STATE	SPECIAL HANDLING RULES FOR PRINCIPALS
* Oklahoma	<p><u>Corporations &amp; LLCs:</u></p> <ul style="list-style-type: none"> <li>• Corporate officers, employees who are shareholders of corporations but are not officers, and members who have at least 10% ownership are excluded unless they are included by endorsement.</li> <li>• Officers and members who own less than 10% are included and cannot reject coverage.</li> </ul>
* Oregon	<p><u>Partnerships:</u></p> <ul style="list-style-type: none"> <li>• Partners are excluded but may be included by endorsement.</li> <li>• <u>Construction Work:</u> <ul style="list-style-type: none"> <li>○ Partners who are not included by endorsement must be included at \$400 per week for any weeks in which they had job site exposure.</li> </ul> </li> </ul> <p><u>Corporations:</u></p> <ul style="list-style-type: none"> <li>• Officers meeting these three criteria are excluded but may be included by endorsement: <ul style="list-style-type: none"> <li>○ They must be appointed to named officer positions in the bylaws.</li> <li>○ They must be directors or on the board of directors, as indicated in articles of corporation or bylaws.</li> <li>○ They must have at least 10% ownership.</li> </ul> </li> <li>• Other officers not meeting all those criteria are included.</li> <li>• <u>Restriction:</u> <ul style="list-style-type: none"> <li>○ Corporations engaged in construction, landscaping, or timber harvesting are limited to exclude two officers, or one officer for each ten officers, whichever is greater.</li> <li>○ <u>Exception:</u> <ul style="list-style-type: none"> <li>• Corporations engaged in construction, landscaping, or timber harvesting, where all officers are members of the same family, may exempt any officers who have at least 10% ownership. <ul style="list-style-type: none"> <li>○ Members of the same family include the following relationships: parent, daughter, son, daughter-in-law, son-in-law, grandchild, spouse, sister, or brother.</li> </ul> </li> </ul> </li> </ul> </li> </ul> <p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>• There are four different scenarios for LLCs based on operations/licensing of the entity. <ol style="list-style-type: none"> <li>1) Active members of LLCs where the entity is not engaged in construction: <ul style="list-style-type: none"> <li>• Excluded, except when included by endorsement.</li> <li>• No ownership percentage requirements.</li> </ul> </li> <li>2) Active members of LLCs with more than one member, where the entity is doing construction, but not meeting the criteria for #3 or #4 below: <ul style="list-style-type: none"> <li>• Included, except when excluded by endorsement.</li> <li>• See <a href="#">Exclusion Endorsements</a> below for restrictions on who can be excluded.</li> <li>• No ownership percentage requirements.</li> </ul> </li> </ol> </li> </ul>



STATE	SPECIAL HANDLING RULES FOR PRINCIPALS
	<p>3) Active members of LLCs that are actively registered under <b>ORS 671.525</b> (which is limited to specific types of <u>landscaping</u> contractors) regardless of nature of work performed:</p> <ul style="list-style-type: none"> <li>• Those with a minimum of 10% ownership are excluded, except when included by endorsement.</li> <li>• Those with less than 10% ownership are included and may not be excluded.</li> <li>• See <a href="#">Exclusion Endorsements</a> below for restrictions on who can be excluded.</li> <li>• The Oregon Secretary of State Office <a href="#">website</a> has a <b>Find A Business</b> search that provides information about entity type and status, which helps to see if the entity is registered as a landscaping contractor.</li> </ul> <p>4) Active members of LLCs that are actively registered under <b>ORS 701.021</b> (which is the licensing requirements for <u>independent contractors</u>) regardless of nature of work performed:</p> <ul style="list-style-type: none"> <li>• Those with a minimum of 10% ownership are excluded, except when included by endorsement.</li> <li>• Those with less than 10% ownership are included and may not be excluded.</li> <li>• See <a href="#">Exclusion Endorsements</a> below for restrictions on who can be excluded.</li> <li>• The Oregon Secretary of State Office <a href="#">website</a> has a <b>Find A Business</b> search that provides information about entity type and status, which helps to see if the entity is registered as an independent contractor.</li> </ul> <ul style="list-style-type: none"> <li>• <u>Exclusion Endorsements:</u> <ul style="list-style-type: none"> <li>○ <u>Family Owned:</u> <ul style="list-style-type: none"> <li>• If all members of the LLC are members of the same family all may be excluded by endorsement. <ul style="list-style-type: none"> <li>○ Same family means they are parents, spouses, sisters, brothers, daughters, sons, daughters-in-law, sons-in-law, grandchildren.</li> </ul> </li> </ul> </li> <li>○ <u>Not Family Owned:</u> <ul style="list-style-type: none"> <li>• For companies where not all the members of the LLC are family to each other, where the businesses fit the descriptions under LLCs above for #2, #3, or #4, there is a maximum to the number that can be excluded: <ul style="list-style-type: none"> <li>○ If there are less than 30 employees: Two can be excluded.</li> <li>○ If there are 30 or more employees: One member per ten company employees.</li> </ul> </li> </ul> </li> </ul> </li> </ul>
* Rhode Island	<p><u>Public Entities:</u></p> <ul style="list-style-type: none"> <li>• Elected or appointed officials of municipal corporations or other political subdivisions of the state are included at a minimum amount of \$100 in payroll exposure.</li> </ul> <p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>• Members who are paid are included.</li> <li>• Members who are unpaid are excluded.</li> </ul>
* South Dakota	<p><u>Corporations &amp; LLCs:</u></p>

STATE	SPECIAL HANDLING RULES FOR PRINCIPALS
	<ul style="list-style-type: none"> <li>Executive officers of charitable, religious, educational or other nonprofit corporations are excluded, but may elect to be covered.</li> </ul>
* Tennessee	<p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li><u>Non-Construction Industry:</u> <ul style="list-style-type: none"> <li>Members are excluded but may be included by endorsement.</li> <li>Included members are included at the partner flat amount.</li> </ul> </li> </ul> <p><u>Corporations, LLCs, Sole Proprietorships, &amp; Partnerships:</u></p> <ul style="list-style-type: none"> <li><u>Construction Industry:</u> <ul style="list-style-type: none"> <li>Officers, members, partners, and sole proprietors performing construction work are included and may not be excluded by endorsement.</li> <li><u>Exceptions:</u> <ul style="list-style-type: none"> <li>Sole proprietors, partners, and members who have no employees and are paid directly by property owners are excluded but may be included by endorsement.</li> <li>Sole proprietors, partners, and officers who have at least 30% ownership who work exclusively in a supervisory role at jobsites may be excluded by endorsement.</li> <li>Members who have at least 20% ownership may be excluded by endorsement.</li> <li>Up to 5 members of a family-owned LLC, where members of the same family own at least 95% of the LLC, may be excluded by endorsement. <ul style="list-style-type: none"> <li>Family members here can include parents, children, siblings, grandparents, grandchildren, stepparents, stepchildren, spouses, and adoptive relationships.</li> </ul> </li> <li>Members who are inactive and do not visit the premises except to attend director's meetings are excluded, even if paid.</li> </ul> </li> </ul> </li> </ul>
* Texas	<p><u>Corporations &amp; LLCs:</u></p> <ul style="list-style-type: none"> <li><u>Inclusion &amp; Exclusion:</u> <ul style="list-style-type: none"> <li>Principals with at least 25% ownership are included but may be excluded by endorsement.</li> <li>Principals with less than 25% ownership may be excluded from coverage without needing an exclusion endorsement at the <u>Insurer's option</u>.</li> </ul> </li> <li><u>Assignment of Payroll for Included Officers (Corporations):</u> <ul style="list-style-type: none"> <li>Payroll shall be assigned to Code 8809 for executive officers performing clerical or outside salespersons duties only.</li> <li>Code 8809 is not eligible for division of payroll, except for executive officers performing part-time duties as members of an aircraft flying crew. (Refer to Rule IX-A.6).</li> </ul> </li> </ul>

STATE	SPECIAL HANDLING RULES FOR PRINCIPALS
	<ul style="list-style-type: none"> <li>○ Payroll for executive officers performing duties other than as clerical or outside salespersons shall be assigned to classifications in the same manner as other employees.</li> </ul>
* Utah	<p><u>Corporations:</u></p> <ul style="list-style-type: none"> <li>● Self-insured corporations and corporations without employees other than officers are limited to excluding up to five officers by endorsement.</li> </ul> <p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>● Members and managing members who have ownership are excluded but may be included by endorsement.</li> <li>● Managers, who have no ownership, are included and they cannot elect to be excluded.</li> </ul>
* Vermont	<p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>● Up to four members/managing members may be excluded by endorsement.</li> </ul>
* Virginia	<p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>● Managers and managing members are included but may reject coverage. <ul style="list-style-type: none"> <li>○ When included, they use the payroll limitations of officers.</li> </ul> </li> <li>● Members of single member LLCs are statutorily excluded but may elect coverage. <ul style="list-style-type: none"> <li>○ When included, they use the flat amount of partners.</li> </ul> </li> <li>● Unpaid members of multiple member LLCs are excluded but may elect coverage.</li> <li>● Paid members of multiple member LLCs are included but may reject coverage.</li> </ul>
* West Virginia	<p><u>Corporations:</u></p> <ul style="list-style-type: none"> <li>● Only four officers may be excluded by endorsement, as follows: <ul style="list-style-type: none"> <li>○ One president</li> <li>○ One vice president</li> <li>○ One treasurer</li> <li>○ One secretary</li> </ul> </li> </ul> <p><u>LLCs:</u></p> <ul style="list-style-type: none"> <li>● Active members/managing members are included.</li> <li>● Up to four members/managing members may be excluded by endorsement.</li> <li>● Members who are inactive investors are not required to be covered.</li> </ul>
* Wisconsin	<p><u>Corporations:</u></p> <ul style="list-style-type: none"> <li>● Up to two officers of a corporation may elect to be excluded.</li> </ul>

## † Family Member Special Handling Rules

STATE	SPECIAL HANDLING RULES FOR FAMILY MEMBERS
† California	<p><u>Sole Proprietorships &amp; Husband-Wife Partnerships:</u></p> <ul style="list-style-type: none"> <li>• Residing relatives of sole proprietors are excluded (when carriers allow) but may elect coverage.</li> <li>• Non-residing relatives are included and may not elect.</li> </ul>
† Connecticut	<ul style="list-style-type: none"> <li>• Workers Compensation Act: S31-275-(9)(B) In Connecticut, the definition of an employee states: A member of the employer’s family dwelling in his house is exempt, but, if, in any contract of insurance, the wages or salary of a member of the employer’s family dwelling in his house is included in the payroll on which the premium is based, that the person shall, if he sustains an injury arising out of and in the course of his employment, be deemed an employee and compensated in accordance with the provision of this chapter.</li> </ul>
† Idaho	<ul style="list-style-type: none"> <li>• Employment of family members of an employer’s family are automatically excluded if they dwell in the household of the employer.</li> <li>• Employment of family members not dwelling in the household of the employer if the ownership is a sole proprietorship may elect to be excluded from workers compensation coverage by signing an exclusion endorsement.</li> </ul>
† Iowa	<p><u>Family Farm Corporations, Sole Proprietorships, &amp; Partnerships:</u></p> <ul style="list-style-type: none"> <li>• The spouse, parent, brother, sister, children, and stepchildren of the officer of a family farm corporation, sole proprietorship, or partnership are excluded, but may elect to be covered.</li> </ul>
† Maine	<ul style="list-style-type: none"> <li>• General Statutes – S102 (11)(A)(5) – “Except for persons engaged in harvesting forest products, the parents, spouse, or child of a sole proprietor or partnership who is employed by the sole proprietor or the parent or spouse may state, in writing, that the parent, spouse or child waives all the benefits and privileges provided by the Workers Compensation laws if the board finds that the waiver is not a prerequisite condition to employment.” <ul style="list-style-type: none"> <li>○ This provision also applies to such the parents, spouse, or child of a member of an LLC.</li> </ul> </li> </ul> <p><u>Corporations:</u></p> <ul style="list-style-type: none"> <li>• The parent, spouse, or child of an officers or non-officer shareholders owning at least 20% of the stock may elect to be exempt.</li> </ul>
† Massachusetts	<ul style="list-style-type: none"> <li>• Rule IX.A.4 of the Massachusetts Workers Compensation and Employers Liability Insurance Manual: “If a spouse of an individual proprietor, or a member of a co-partnership, or of an officer of a corporation is employed by such entity to perform work in connection with the operations of the employer covered by the policy, the actual payroll of such spouse, as indicated by the insured’s records, subject to a minimum individual amount of</li> </ul>

	\$200 per week, shall be included in the basis of premium computation. If the records fail to disclose payroll, the minimum specified above shall be included as payroll.”
† <b>Minnesota</b>	<ul style="list-style-type: none"> <li>• The spouse, parent, or child of a principal who is excluded (but may elect coverage) are also excluded and may elect coverage.</li> </ul>
† <b>Missouri</b>	<u>Family Farms:</u> <ul style="list-style-type: none"> <li>• Members of an employer’s family are excluded but may elect to be covered.</li> </ul>
† <b>Montana</b>	<u>Dependents:</u> <ul style="list-style-type: none"> <li>• Family members are excluded if they are a dependent member of an employer’s family or an employer’s spouse. Otherwise, they are included.</li> </ul>
† <b>New York</b>	<ul style="list-style-type: none"> <li>• Chapter 67 S2 (4) - Spouse or minor children of an employer who is a farmer are exempt.</li> </ul>
† <b>Oklahoma</b>	<u>Sole Proprietorships:</u> <ul style="list-style-type: none"> <li>• The family of five or fewer exemption provides that an employer with five or less total employees, all of whom are related by blood or marriage to the employer, will be exempt from the Workers Compensation Act.</li> </ul>
† <b>Oregon</b>	<u>LLCs:</u> <ul style="list-style-type: none"> <li>• If all members of an LLC are members of the same family and are parents, spouses, sisters, brothers, daughters, sons, daughters-in-law, sons-in-law, or grandchildren, all such members may elect to be excluded.</li> <li>• See <a href="#">Exclusion Endorsements</a> under the LLC entry for Oregon under Principal Special Handling Rules above.</li> </ul>
† <b>Texas</b>	<ul style="list-style-type: none"> <li>• If the spouse of a partner or sole proprietor is active in the operation of the named insured, then coverage for the spouse is treated in the same manner as the partner or sole proprietor.</li> <li>• Other family members are covered as employees.</li> </ul>
† <b>Utah</b>	<u>Agricultural Businesses:</u> <ul style="list-style-type: none"> <li>• Family members of an agricultural employer are automatically excluded.</li> <li>• Family members include spouse, grandparent, parent, sibling, child, grandchild, niece, or nephew.</li> </ul>
† <b>Vermont</b>	<ul style="list-style-type: none"> <li>• Title 21 Chapter 009 - Employers Liability and Workers Compensation S601 (14) – A member of the employer’s family dwelling in the employer’s house is exempt UNLESS the family member draws a salary or wage in the employer’s payroll records.</li> </ul>