

**TOWN OF SEVASTOPOL**  
**Door County, Wisconsin**

**Resolution No. 01 - 2012 TB**  
**"Requirement to Provide Certificate of Liability Insurance"**

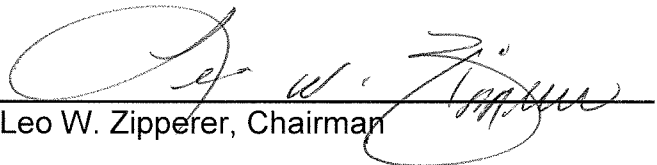
The Town Board of the Town of Sevastopol (the "Town Board"), Door County, Wisconsin, by this resolution, adopted by a majority of the town board on a roll call vote with a quorum present and voting, and proper notice having been given, resolves and orders as follows:

**WHEREAS**, in accordance with Section 60.22, Wis. Stats., the Town Board has charge of all affairs of the town not committed by law to another and in accordance with audit and insurance standards, believes it is in the best financial interests of the Town to require a certificate of liability insurance in certain circumstances;

**RESOLVED**, a certificate of liability insurance shall be provided to the Town by any contractor, independent contractor, individual, business or company performing work of any nature on or about Town property and improvements, and said insurance shall remain in full force and effect during the term of the work being performed.

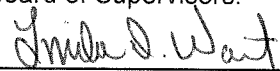
**BE IT FURTHER RESOLVED**, that said certificate of liability insurance shall provide for general liability, automobile liability, excess/umbrella liability and workers compensation/employers' liability, as appropriate to the work being performed. The minimum limit for general liability and automobile liability shall be One Million Dollars (\$1,000,000).

Submitted by:

  
Leo W. Zipperer, Chairman

Board Members	Aye	Nay	Exc.
<del>Tom Girman</del>			
<del>John Staveness</del>			
<del>Chuck Tice</del>			
<del>Dan Woelfel</del>			
<del>Leo Zipperer</del>			

I, Linda D. Wait, Clerk of the Town of Sevastopol, certify that the above is a true and correct copy of a Resolution that was adopted on the 20th day of February, 2012, by the Town of Sevastopol Board of Supervisors.

  
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Linda D. Wait, Clerk  
Town of Sevastopol

## INDEPENDENT CONTRACTOR DEFINITION

To qualify as an independent contractor and not an employee a person must:

1. Maintain a separate business with his or her own office, equipment, materials and other facilities.
2. Holds or has applied for a federal employer identification number or has filed business or self-employment income tax returns with federal internal revenue service based on that work or service in the previous year.
3. Operates under contracts to perform specific services or work for specific amounts of money and under which the independent contractor controls the means of performing the services or work.
4. Incurs the main expenses related to the service or work that he or she performs under contract.
5. Is responsible for the satisfactory completion of work or services that he or she contracts to perform and is liable for a failure to complete the work or service.
6. Received compensation for work or service performed under contract on a commission or per job or complete bid basis and not any other basis.
7. May realize a profit or suffer a loss under contracts to perform work or service.
8. Has continuing or recurring business liabilities or obligations.
9. The success or failure of the independent contractor's business depends on the relationship of business receipts to expenditures.

**NOTE:** Any status conflicts regarding independent contractors will be resolved by the Department of Workforce Development t Worker's Compensation Division.

POLICY NUMBER: WRK0043939

RE: Worker's Compensation Coverage dealing with Subcontractors:

Dear Policyholder,

This letter is intended to address some past confusion regarding subcontractors. More specifically, what a subcontractor is, and how they impact your insurance.

As a rule of thumb, if you issue a 1099 tax form to a person or business, that person or business is a subcontractor. It is your responsibility to furnish satisfactory evidence that any subcontractors you hire have Worker's Compensation insurance in force covering the work performed for you. If you do not have a written Certificate of Insurance showing that a subcontractor has Worker's Compensation coverage, you are responsible to provide the coverage.

When you hire a subcontractor and do not intend to provide Worker's Compensation insurance for them, it is vitally important to get a Certificate of Insurance from them, before they begin work. This Certificate of Insurance must continue in force until the work for you is completed. This releases you from being primarily liable for injuries to the subcontractor and their employees. It also releases you from having to pay Worker's Compensation insurance premiums on the payroll the subcontractor receives from you. There is an exception to this rule. If the subcontractor meets the nine qualifying factors required to be classified as an independent contractor, then a Certificate of Insurance is not required. See the attached sheet that lists these nine conditions.

Also, for your information, according to Worker's Compensation Law, employers may not withhold or charge back Worker's Compensation premiums to anyone, such as subcontractors.

If you do not obtain a Certificate of Insurance and the subcontractor has claims through your insurance, it could have a negative impact on your insurance rates and your experience modification factor. If the claims are frequent or severe, it could jeopardize your insurability.

If you plan to do subcontractors work for another business, you may be asked to provide a Certificate of Insurance. Your Rural Insurance agent can supply the necessary Certificate of Insurance free of charge.

Any questions regarding this matter should be directed to your Rural Insurance agent. Thank you for selecting Rural Mutual Insurance Company as your commercial insurance carrier. We will reward your choice with continued great service.