

# Idaho Workers' Comp Audit: Subcontractor Checklist

A free one-page checklist for Idaho contractors who pay subcontractors. Use it to get your sub paperwork in order *before* your workers' comp premium audit. Every carrier runs audits differently, so treat this as a general guide and ask your carrier or agent what they will actually ask for.

## 1. Know who you paid

- ☐ Pull a list of **every sub you paid** during the policy period (vendor report, check register, or 1099 list). Auditors typically start from payments, not from your certificate file.
- ☐ For each sub, note **total paid** and **payment dates** during the policy period.
- ☐ Make sure the **legal name** on your payments matches the named insured on the sub's certificate. Mismatched names (a DBA vs. an LLC, or an owner's personal name) are a common reason a certificate gets questioned.

## 2. Certificates of insurance (COIs)

- ☐ Have a certificate on file for each paid sub that shows **workers' compensation** coverage, not just general liability.
- ☐ Check that the **policy dates cover the dates the sub worked** and were paid. A certificate that expired mid-year typically covers only part of the work.
- ☐ Flag **expired certificates** and request current ones. Keep the old ones too, since they show coverage for earlier periods.
- ☐ Remember that a certificate is informational only. It doesn't guarantee the policy is still in force (Insurance Journal on certificates vs. policy language).

## 3. Subs with no workers' comp policy

- ☐ Identify subs who say they don't need workers' comp. Under Idaho law, sole-proprietor owners, working members of partnerships and LLCs, and certain corporate officers are exempt for *their own* employment (Idaho Code §72-212). That exemption does not cover any employees they have.
- ☐ Keep whatever exemption documentation the sub can provide, for example the statement Idaho contractor registration requires when a contractor doesn't carry workers' comp (Idaho Code §54-5210). **Ask your carrier which documents it accepts at audit.**
- ☐ Don't assume a 1099 makes someone a sub. Idaho uses a right-to-control test, and the Idaho Department of Labor says there is "no such thing as a 1099 employer" (Idaho Industrial Commission, Employer FAQs; Idaho Department of Labor, "Construction and Independent Contractors").

## 4. Why it matters in Idaho

- ☐ If a sub under you has employees and fails to carry required coverage, Idaho law can make **you** liable for compensation to the sub's injured employee (Idaho Code §72-216).
- ☐ At a premium audit, carriers typically treat payments to subs without acceptable proof of coverage as your payroll and may charge premium on them. How this works varies by carrier and policy, so ask your agent.

## 5. Before the auditor arrives

- ☐ Organize one file per sub: certificates (with dates), any exemption documents, and payment totals.
- ☐ Build a simple list of sub, amount paid, and the certificate that covers each payment period, with gaps highlighted.
- ☐ Take coverage questions (what's acceptable, class codes, limits) to **your carrier or licensed agent**.

**Free exposure check:** email the names of the subs you paid this year to [reistoncorp@gmail.com](mailto:reistoncorp@gmail.com) and we'll tell you, free and by email, which look uncovered. More at [clear.reistoncorp.com](http://clear.reistoncorp.com).

This checklist is general information, not insurance, legal, or tax advice. Audit practices vary by carrier and policy. Prepared October 2026. Sources are cited inline; full links at [clear.reistoncorp.com/checklist.html](http://clear.reistoncorp.com/checklist.html).

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