

FAQ for Construction Legislation (HB 1366)

1. Do all workers on construction sites need to have workers' compensation coverage?

Yes, every person performing construction work on a construction site must be covered by workers' compensation insurance, subject to certain limited exceptions.

2. But I am an independent contractor. Do I still need to have workers' compensation coverage?

Yes, unless you qualify for one of the statutory exemptions and submit the proper notification of exemption form to the Division of Workers' Compensation.

3. Who qualifies for the statutory exemptions?

There are several categories of individuals who are eligible for exemptions:

- Corporate officers / members of a limited liability company (LLC) who own at least 10% of the stock of that corporation or LLC and participate in the management of the company.
- Members of a limited partnership (LP), limited liability partnership (LLP), or limited liability limited partnership (LLLLP).
- Members of a general partnership (GP) which has a registered trade name.
- Sole proprietors who have a registered trade name.

Corporations, LLCs, and partnerships must be properly registered and in good standing with the Colorado Secretary of State. Likewise, trade names must also be properly registered with the Colorado Secretary of State and be in good standing. Moreover, anyone seeking an exemption must be at least 18 years old (Colorado's legal age of majority).

4. If I fit into one of the statutory exemption categories, do I automatically get the exemption?

No. You must file the proper form with the Division of Workers' Compensation in order to receive the exemption. The exemption is effective the next business day after the form is received by the Division.

5. Where do I get the forms?

The forms for rejecting coverage are available on our website in the "Official Forms" section, or by clicking on the appropriate link below:

[Partner and Sole Proprietor Coverage Rejection Form](#)

[Corporate Officer and LLC Member Coverage Rejection Form](#)

6. What qualifies as construction work?

The statute defines construction work as “all or any part of the construction, alteration, or remodeling of a structure,” but does not include “surveying, engineering, examination, or inspection of a construction site, or the delivery of materials to a construction site.”

7. What is meant by a “construction site”?

The statute defines a construction site as “a location where a structure that is attached or will be attached to real property is constructed, altered, or remodeled.”

8. I am a homeowner / renter and need to have some repairs done to my house. I am also thinking about remodeling. Do I have to obtain workers’ compensation insurance for the people working on my home? If not, am I responsible to make sure everyone working on my house has their own workers’ compensation coverage?

No, unless the people performing the work are also your employees. Otherwise, owners and occupants of residential real property who contract out work done to that property are not responsible for obtaining workers’ compensation insurance for those workers, or for making sure the workers are covered. However, if the workers are your employees, you are required to maintain workers’ compensation insurance for them.

9. What about owners and occupants of commercial or industrial property? The property needs regular maintenance and occasional repairs. Do I have to obtain workers’ compensation insurance for the maintenance and repair people, or am I responsible to make sure everyone doing work on the structure has their own workers’ compensation coverage?

No, unless the people performing the maintenance and repairs are also your employees. Owners and occupants of real property who hire people specifically to do routine maintenance and repairs on real property are not responsible for obtaining workers’ compensation insurance for those workers, or for making sure the workers are covered by workers’ compensation insurance. However, if the workers are also your employees, you are required to maintain workers’ compensation insurance for them.