

No employees: Why an “if any” policy is a good idea

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“I was working on this house. I didn’t really plan to have employees. This guy walked up. He looked down on his luck and asked for a few bucks. I told him if he picked up some of the debris and put it in the bin, I’d give him \$100 for the day. He worked really hard. A few hours later, I went to lunch. Before I left, I gave him \$100.00 cash and told him to finish up. I also told him to not go on the roof. I didn’t expect him to be there when I got back, much less go up on the roof. He did, and he fell. At the hospital he told them he was working for me. To make matters worse, he told them I promised him \$200.00 and that I hadn’t paid him yet.”

Did you know that there is a workers’ compensation insurance available even if you have no employees? It’s also available if you have just an occasional hire! It’s called the “**if any**” policy. Maybe you’ve heard of it and wondered what it was, or you were concerned that it would be too expensive, or hard to get.

An “if any” policy is a workers’ compensation insurance policy which is issued on an, if any, basis. That means you, the purchaser, do not anticipate hiring any employees for the entire one-year policy term.

If you work for a general contractor that requires subcontractors to have a workers’ compensation policy as part of the contractual agreement, an “if any” policy will satisfy such a requirement. The “if any” policy protects you from claims brought against you by someone alleging to have been injured while working for you. In the event that you *do* hire an employee, the policy satisfies the requirement for a subject employer to have workers’ compensation insurance, thus avoiding non-complying employer fines.

Note: The “if any” policy does not cover you, the owner — it only covers employees you may hire.

How much does an “if any” policy cost?

The premise of an “if any” policy is that you do not expect to hire any employees and that you will not have payroll to meet; therefore, the premium charged is not based upon any exposure. A minimum premium of \$534 is the upfront cost of the policy. This amount represents the sum of a \$320 minimum premium plus a \$180 expense constant, and a \$34 tax. “If any” policies are issued annually. At the end of the policy term, you will receive a payroll report on which to document your payroll for the policy year. If you had no payroll for the year, write “no employees” on the report and send it back to the insurance carrier; upon receipt of the payroll report, the insurance carrier will credit back \$303.32, which is the sum of a lower minimum premium plus the expense constant. This transaction takes on average 45 days to process. Your out-of-pocket net cost for the “if any” policy is \$230.68.

If you have any employees during the subject policy term, your cost is higher and varies depending on payroll and the type of work your employees do during the policy term.

If you don’t submit a payroll report to the insurance carrier, you are not likely to receive a premium credit.

How to get an “if any” policy?

The “if any” policy can only be purchased through the **assigned risk pool**, of the “Oregon Workers’ Compensation Insurance Plan”. The first step is to call the toll-free number, (800) 622-4123. *When prompted, enter extension #1912.* When you get to an attendant, identify yourself as an **Oregon employer**, which tells the attendant that you cannot be charged for this service. You may request the attendant to take your application over the phone. **You cannot be charged additional fees for this service and you do not have to request the**

coverage through an agent. If there is any confusion regarding the “if any” policy, ask for the **supervisor of the Oregon Unit**, who will assist you in obtaining coverage.

After your application is completed, an electronic transfer from your bank account will get your coverage in force earlier. This means that you could call this afternoon, complete your application over the phone, request an electronic transfer, and your coverage could be in force as early as 12:01 a.m. the next day.

You can see that securing an “if any” policy has advantages for protecting your business and satisfying contractual provisions. It’s easy to apply for and relatively inexpensive.

If you have questions about this article or other questions related to workers’ compensation insurance, please contact the Small Business Ombudsman for Workers’ Compensation, (503) 378-4209. Our office was established to serve Oregon businesses as a workers’ compensation insurance advocate and educator. You may wish to visit our Web site to read articles in our “hot topics” section at [file:///www.http///egov.oregon.gov/DCBS/SBO/hot_topics.shtml](http://www.egov.oregon.gov/DCBS/SBO/hot_topics.shtml).