



Complying with California’s AB5 as amended: How Loadchief Compares Plus, Three Other Critical Requirements ¹

Requirements for the Business Service Provider (driver)	Loadchief	Direct Contract with IC Drivers	Indirect Contracting with IC Drivers
(1) Free from the control and direction of the contracting business.	YES	NO	MAYBE
(2) Providing services directly to the contracting business rather than to customers of the contracting business.	YES	YES	YES
(3) Contract in writing specifying payment amount, any applicable rate of pay, and payment due date.	YES	YES	MAYBE
(4) Have the required business license or tax registration.	YES	MAYBE	MAYBE
(5) Maintains a separate business location.	YES	MAYBE	YES
(6) Customarily engaged in an independently established business of the same nature as that involved in the work performed.	YES	YES	YES
(7) May contract with other businesses for similar services and maintain a clientele without restrictions from the hiring entity.	YES	NO	NO
(8) Advertises and holds itself out to the public for similar services.	YES	NO	MAYBE
(9) Provides its own tools, vehicles, and equipment.	YES	MAYBE	MAYBE
(10) May negotiate its own rates.	YES	NO	NO
(11) May set its own hours and location of work.	YES	MAYBE	MAYBE
Nonregulatory Requirements			
(A) Has its own insurance -- <i>Auto, Occupational Accident/Injury, Cargo, and/or General Liability</i> -- that is portable (covers work for all contracting business entities).	YES	NO	NO
(B) Has certified (or can access) appropriate professional training -- <i>defensive driving, HIPAA, bloodborne pathogens, HAZMAT, TSA, safe food handling, etc.</i>	YES	MAYBE	MAYBE
(C) Credentials are vetted by a disinterested vetting service that maintains support documents – <i>driver’s license, MVR, background checks, evidence of insurance, etc.</i>	YES	MAYBE	MAYBE

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¹ Reference should be made to California Labor Code Sections 2775 and 2776(a)(1)-(11). Section 2776(a)(12) is not applicable to the transportation/motor carrier industry.