

## Complying with California’s IC Regulations: How **Loadchief** Compares with its Competition: Shipper/Employee model, TPA model and Lifestyle Driver apps<sup>1</sup>

	Requirements for an Independent Contractor Driver	Loadchief	Shipper Employee Drivers	Third Party Administrator Competitors	App-Based Driver Competitors <sup>2</sup>
(1)	Free from the control and direction of the contracting business.	YES	NO	MAYBE	NO
(2)	Provides services directly to the contracting business rather than to customers of the contracting business.	YES	YES	YES	NO
(3)	Contract in writing specifying payment amount, any applicable rate of pay, and payment due date.	YES	YES	MAYBE	YES
(4)	Possesses the required business license or tax registration	YES	MAYBE	MAYBE	MAYBE
(5)	Maintains a separate business location.	YES	MAYBE	YES	MAYBE
(6)	Engages in an independently established business of the same nature as that involved in the work performed for the contracting business.	YES	YES	YES	YES
(7)	May contract with other businesses for similar services and maintain a separate clientele without restrictions from the contracting business.	YES	NO	NO	YES
(8)	Advertises and holds itself out to the public for similar services performed for the contracting business.	YES	NO	MAYBE	NO
(9)	Provides its own tools, vehicles, and equipment.	YES	MAYBE	MAYBE	MAYBE
(10)	May negotiate its own rates.	YES	NO	NO	NO
(11)	May set its own hours and location of work.	YES	MAYBE	MAYBE	MAYBE

<sup>1</sup> Reference should be made to California’s AB2257 and California Labor Code Sections 2775 and 2776(a)(1)-(11). The California ballot includes Prop. 22, intended to circumvent AB5 and AB2257.

<sup>2</sup> Below, in the Competition Section of this Executive Summary, there is a graphical analysis of App-Based Competition. Here competition is compared in terms of the independent contractor business model and for their adequacy of regulatory compliance.



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	<b>Nonregulatory Requirements</b>				
(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	YES
(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	NO
(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	MAYBE