- (b) A sole proprietor may elect to be a covered employee if the proprietor devotes full time to the business of the proprietorship.
- (c) An election under this section is not effective until the proprietor submits to the Commission and to the insurer of the proprietor a written notice that names the individual who is to be a covered employee.

 9-508
- (a) A principal contractor is liable to pay to a covered employee or the dependents of the covered employee any compensation that the principal contractor would have been liable to pay had the covered employee been employed directly by the principal contractor if:
- (1) the principal contractor undertakes to perform any work that is part of the business, occupation, or trade of the principal contractor;
- (2) the principal contractor contracts with a subcontractor for the execution by or under the subcontractor of all or part of the work undertaken by the principal contractor; and
 - (3) the covered employee is employed in the execution of that work.
- (f) (1) A principal contractor is not liable to pay compensation to an individual under this title if the individual:
- (i) is a corporate officer, or a member of a limited liability company, who elects to be exempt from coverage under § 9-206 of this title;
- (ii) is a partner in a partnership and the partnership does not elect to make the individual a covered employee under § 9-219 of this title; or
 - (iii) is a sole proprietor who:
- 1. DOES NOT NOTIFY THE PRINCIPAL CONTRACTOR, ON A FORM APPROVED BY THE COMMISSION, OF THE INDIVIDUAL'S STATUS AS A COVERED EMPLOYEE; and
- 2. does not elect to be a covered employee under § 9-227 of this title.
- (2) An individual is presumed to be a sole proprietor who is not a covered employee under this section if:
- (i) a substantial part of the individual's income is derived from the trade or business for which a principal contractor engages the individual and from which the individual has attempted to earn taxable income; [and]
- (ii) <u>1.</u> THE INDIVIDUAL NOTIFIES THE PRINCIPAL CONTRACTOR ON A FORM APPROVED BY THE COMMISSION THAT THE INDIVIDUAL HAS NOT ELECTED TO BECOME A COVERED EMPLOYEE UNDER § 9–227 UNDER THIS TITLE; AND \overline{OR}