

Frequently Asked Questions

Workers Compensation Insurance for Out-of-State Employees

1.	AREN'T ALL WASHINGTON STATE EMPLOYEES COVERED BY THE WASHINGTON STATE DEPARTMENT OF LABOR AND INDUSTRIES (L&I) WORKERS COMPENSATION (WC) COVERAGE FOR EMPLOYEES?	<p>Yes, all Washington state employees have workers compensation coverage under the L&I programs. However, <u>WAC 296-17-35203(8)</u> defines proof of out of state coverage for those Washington state employees who perform jobs in another state <u>for more than thirty (30) days (consecutively or non-consecutively) within a year.</u> These out-of state employees are then eligible for benefits in the states where they are working. To cover these exposures, DES-ORM buys coverage with a licensed insurer (currently Hartford Insurance Company). Other states do require proof of coverage for employees working in their states and eligible for their benefits (more than 30-day rule).</p>
2.	DOES WASHINGTON'S RECIPROCAL AGREEMENTS WITH OTHER STATES ELIMINATE THE NEED FOR THIS ADDITIONAL WC COVERAGE?	<p>Under the reciprocal agreements, other states will recognize Washington's L&I coverage as meeting their WC insurance requirements if the employee works <u>30 or fewer days (consecutively or non-consecutively) in a year in a particular state.</u> This is considered "temporary or incidental" work.</p>
3.	WHAT TYPES OF JOBS ARE HELD BY THESE OUT-OF-STATE EMPLOYEES?	<p>Often the employees have residence in other states. Currently, auditors, ITS employees, on-line teachers, researchers and telecommuters make up the majority of these employees.</p>
4.	WHAT EXPOSURE IS USED FOR DETERMINATION OF PREMIUM?	<p>Out of State Workers Compensation Coverage requires the use of payroll dollars as an exposure.</p> <p>At the beginning of the policy year, each affected employee's estimated payroll is reported along with state he or she will be working in, name of employee, risk class (class code), dates starting and ending work and residence address.</p> <p>At the end of the policy year during audit, actual payrolls per affected employee are reported. At this time, additions and deletions of employees are made to determine final audited premium.</p>

5.	WHAT IS EMPLOYER'S LIABILITY COVERAGE?	<p>Employer's Liability (Stop Gap) coverage is an additional coverage provided under the Hartford WC policy. This coverage is designed to cover defense costs and damages incurred by the insured (agency) due to general liability lawsuit filed by an employee for injuries sustained as a result of a work-related accident.</p> <p>The coverage limits are \$1,000,000 Bodily injury by accident / \$1,000,000 Bodily injury by disease - each employee / \$1,000,000 Bodily injury by disease - policy limit.</p> <p>The state of Washington is covered by this Stop Gap insurance for its in-Washington employees as well as for those employees in North Dakota, Ohio and Wyoming (the other monopolistic WC states).</p>
6.	WHO DO I CONTACT IF I HAVE OTHER QUESTIONS?	Contact John Christenson at (360) 407-9461 at the DES Office of Risk Management.