

Frequently Asked Questions

Workers Compensation Insurance for Out-of-State Employees

1.	<p>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>	<p>Yes, all Washington state employees have workers compensation coverage under the L&I programs. However, WAC 296-17-35203(8) 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, the Office of Risk Management buys coverage with a licensed insurer (currently Chubb). Other states do require proof of coverage for employees working in their states (for more than 30 days) and eligible for their benefits.</p>
2.	<p>WASHINGTON CURRENTLY HAS RECIPROCAL AGREEMENTS WITH IDAHO, MONTANA, NEVADA, NORTH DAKOTA, OREGON, SOUTH DAKOTA, UTAH AND WYOMING. DO THESE AGREEMENTS ELIMINATE THE NEED FOR THIS ADDITIONAL WC COVERAGE?</p>	<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 less days (consecutively or non-consecutively) in a year in a particular state.</u> This is considered "temporary or incidental" work.</p> <p>Contact outofstate@lni.wa.gov to have an Extraterritorial certificate sent to the reciprocal state on your behalf.</p>
3.	<p>NORTH DAKOTA, OHIO AND WYOMING DO NOT PERMIT PRIVATE INSURERS TO COVER WORKER'S COMPENSATION BENEFITS FOR IN-STATE WORKERS. WHAT SHOULD EMPLOYEES WORKING IN ONE OF THESE STATES DO?</p>	<p>Since ND, OH, and WY are monopolistic states like WA, employees will need to secure Worker's Compensation coverage directly with the state fund respective to each of these states.</p> <p>Employees living in these states may want to still be included on the out of state policy if these employees require employer's liability.</p>
1.	<p>WHAT IS EMPLOYER'S LIABILITY COVERAGE?</p>	<p>Employer's Liability (Stop Gap) coverage is an additional coverage provided under the Chubb WC policy. This coverage is designed to cover defense costs and damages incurred by the insured (agency) due to general liability lawsuit</p>

		<p>filed by a third party for losses due to injuries sustained by an employee 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>As of 7/1/2018, the state of Washington is not covered by this Stop Gap insurance for its in-Washington employees. However, this coverage is provided for those employees in North Dakota, Ohio and Wyoming (the three other monopolistic WC states) as well as non-monopolistic states.</p>
2.	<p>WHAT EXPOSURE IS USED FOR DETERMINATION OF PREMIUM?</p>	<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>
3.	<p>WHO DO I CONTACT IF I HAVE OTHER QUESTIONS?</p>	<p>Contact Kim Haggard at (360) 280-6962 at the DES Office of Risk Management.</p> <p>Contact outofstate@lni.wa.gov for questions about WA workers' compensation coverage.</p>