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**Are Your Insured's Employees Covered When They Travel Out Of State?**

9:00 AM - 10:00 AM

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1 CEU

## Workers Compensation

**Are your Insured's employees covered when they cross state lines?**



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If an employee is injured while working in another state, it is complicated. **Each individual state has their own statutes and rules** that govern how workers compensation applies within their state and how benefits apply when the employee is injured while temporarily working in another state. Unfortunately, most states simply don't care what other states allow, only what is required under their workers compensation laws.



❖ **Extra Territorial Coverage in the primary state (MA):**

- If workers are working temporarily in another state, extraterritorial provisions in the state statutes governs benefits and how they apply when an employee hired in the primary state is injured while working in another state.
- Coverage from this state (MA) follows its workers performing temporary work in other states. Benefits for injury are provided as if the worker were in this state (MA).

❖ **Recipriocity**

- What this means is that the state will have in its statues if they reciprocate the extraterritorial provisions, which basically is a way of “honoring” Work Comp coverage from other states for workers from another state in their state on a temporary and incidental basis.



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❖ **States that mutually honor the other's extraterritorial provisions limit**

- There is no problem when the sending and receiving states' extraterritorial and reciprocity provisions align
- The sending state's workers comp follows the worker and the receiving state recognizes the coverage.
- Benefits are paid under the sending state's laws and the receiving state asserts no authority over the situation.
- The injured employee's choice of jurisdictional benefits is to those of the home state or state to which the employee is primarily assigned.

❖ **Extraterritorial and reciprocal laws do not dovetail**

- Coverage for travelling employees would **require specific coverage in that state.**
- Employees injured while working in a non-reciprocating state may have their choice of either states benefits
- Once temporary status has expired primary coverage would need to be secured within that other state.
- If that is not done then the employer may be considered non-compliant and subject to penalties for not securing proper coverage.



## What to do...



- ✓ Check the rules/reciprocity in the state where they will be temporarily working . Do they reciprocate?

### Voluntary Policies

- ✓ Always attempt to secure the broadest coverage possible under the workers compensation policy with as many states with even minimal exposure **added to 3.A. As a fall back, get the state in 3.C**
  - 3.A. Primary state
  - 3.C. Other States

### MA WC Pool policies

- If they reciprocate:
  - ✓ The **MA limited Other States Endorsement** may be acceptable but is not recommended.
  - ! Many states bordering Massachusetts do not consider the MA limited Other States Endorsement as fulfilling the statutory requirements.
- If they do not reciprocate:
  - ✓ Obtain a separate policy for that state.
  - ✓ **You cannot add states to 3A Coverage.**

### Monopolistic states

- Will always require a separate policy regardless of statutes: Ohio, Washington, North Dakota, Wyoming

