

## Countrywide—Underwriting Guidelines for Travel Across State Lines Due to Inclement Weather

Recently, many states suffered extensive flooding, high winds, and tornadoes, resulting in power failures and other damages due to inclement weather.

To assist in the cleanup and recovery effort, there will be a number of out-of-state employers traveling across state lines. To avoid a gap in coverage, policyholders should consult their agent and/or carrier to determine whether their workers compensation and employers liability insurance policy extends coverage to the traveling employee. Policyholders should also consult the state's division of workers compensation that the employer is headquartered in, which may further address extraterritorial and reciprocity provisions.

For example, insurance requirements for out-of-state employers coming to Florida are provided in Florida's Division of Workers' Compensation Key Coverage and Exemption Eligibility Requirements Brochure as follows:

### “Requirements of Out-of-State Employers

- An out-of-state employer engaged in work in Florida must immediately notify his or her carrier that it has employees working in Florida.
- An out-of-state employer who has employees working in Florida must have a Florida workers' compensation policy or an endorsement must be added to the out-of-state policy that lists Florida in section 3.A. of the policy.
- A Florida contractor working in this state who contracts with an out-of-state subcontractor must require proof of a Florida workers' compensation policy or an endorsement to the out-of-state employer's policy that lists Florida in section 3.A. of the policy. Otherwise, the Florida contractor's policy must include the out-of state subcontractor and their employees per Chapter 440.10(1)(g), Florida Statutes.

“Extraterritorial Reciprocity: Out-of-state employers whose home jurisdiction has in its statute an “extraterritorial reciprocity” clause allowing temporary employees from another jurisdiction (including Florida) to work under the “home state's” workers' compensation policy is permitted to work in Florida using the workers' compensation policy from their “home state”, as long as the work is temporary in nature. Temporary is defined as no more than 10 consecutive days with a maximum of 25 total days in a calendar year.<sup>1</sup>”

### NCCI's Workers Compensation and Employers Liability Insurance Policy

NCCI's Workers Compensation and Employers Liability Insurance Policy (Policy) also may apply based on Part Three—Other States Insurance, as referenced below:

Part Three—Other States Insurance, Section A. How This Insurance Applies, Item 4 of the Policy states:

4. If you have work on the effective date of this policy in any state not listed in Item 3.A. of the Information Page, coverage will not be afforded for that state unless we are notified within thirty days.

Part Three—Other States Insurance, Section B. Notice of the Policy further states:

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

The term “state” is defined in General Section D. State of the Policy as any state of the United States of America, and the District of Columbia.

<sup>1</sup> <http://www.myfloridacfo.com/division/wc/>

## Temporary Travel Outside the United States

Certain state workers compensation laws provide coverage for temporary extraterritorial travel outside the United States of America, and the District of Columbia (United States). The time period for which employees are covered varies from state to state. Several factors determine whether a separate policy is required such as the types of workers employed by the employer, the employee's travel destination, and the length of time the employee spends outside the United States.

In Connecticut and Florida, a Foreign Voluntary Compensation and Employers Liability Insurance Coverage Endorsement is approved for use and allows the carrier the option of providing foreign voluntary compensation insurance outside the United States under specified conditions for a designated period of time.

An excerpt of this endorsement, applicable only in Connecticut and Florida, states the following for employees covered:

The additional coverage provided by this endorsement applies only to employees listed in Item 1. of the Schedule of this endorsement provided they are hired within the limits of the United States of America. It provides additional coverage for the listed employees while they are traveling or temporarily residing in the country(ies) named in Item 1. of the Schedule of this endorsement. Each period of travel or temporary residence for each listed employee may be no longer than the maximum number of consecutive days shown in Item 1. of the Schedule of this endorsement.

This insurance does not apply to any employees you hire outside the limits of the United States of America.

NCCI does not determine whether the Policy extends coverage to the traveling employee when there is exposure to travel across state lines or temporary travel outside the United States. However, the following scenarios are provided for carrier guidance, subject to the carrier's review of the actual scenario involved:

If an employer . . .	Then . . .
. . . is headquartered in Florida, lists Texas in Item 3.A of the Information Page, and sends employees to Texas	. . . coverage <b>may</b> extend from the Florida workers compensation policy subject to state or federal statutes or regulations.
. . . is headquartered in Alabama and sends employees to Puerto Rico	. . . coverage <b>may</b> extend from the Alabama workers compensation policy subject to state or federal statutes or regulations.
. . . is headquartered in Georgia and sends employees to the British Virgin Islands	. . . coverage <b>may</b> extend on a temporary basis from the Georgia workers compensation policy subject to state or federal statutes or regulations.
. . . is headquartered in Florida, the policy is endorsed with the Florida Foreign Voluntary Compensation and Employers Liability Insurance Coverage Endorsement, and sends employees to the British Virgin Islands	. . . coverage extends on a temporary basis from the Florida workers compensation policy in accordance with the provisions of the endorsement.

In accordance with Part One—Workers Compensation Insurance, Section H., Items 4–6 of the Policy, the Policy will conform to the applicable workers compensation law.

Additionally, Part Two—Employers Liability Insurance, Section C. Exclusions, 6. of the Policy states:

6. Bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;

Employers liability coverage may be covered under Part Two of the Policy if bodily injury occurs to a citizen or resident of the United States of America or Canada who is temporarily outside these countries.

It is important that policyholders contact their agent and/or carrier to avoid a gap in coverage when traveling outside their home state to work in another state or when traveling internationally.

### **CONTACT INFORMATION**

If you have any questions concerning the information in this circular, please contact NCCI's Customer Service Center at 800-NCCI-123 (800-622-4123), Monday–Friday, 8:00 a.m.–8:00 p.m. ET, or email us at [customer\\_service@ncci.com](mailto:customer_service@ncci.com).