

## Across State Lines

### Extraterritorial Coverage

**Extraterritorial coverage is the extension of workers' compensation laws to protect employees who are hired in one state but injured while working in another.** Each state has its own rules about what counts as "significant contacts" to decide which state's laws apply.

North Dakota employers who work in other states must ensure they follow those states' workers' compensation rules. If they don't, they risk having no insurance for their employees while operating there. Employers with a permanent worksite or other major connections in another state need to obtain workers' compensation coverage in that state.

**Workforce Safety & Insurance (WSI) considers the following to determine if extraterritorial coverage applies to an employer:**

- What is the nature of the employer's business? Do the employer's employees travel daily to another state to make deliveries or provide services?
- Do the business operations of the employer make the employer's contact with another state more than incidental or occasional?
- In what state was the employment contract entered?
- Does the employer have a physical place of business in this state and do the employees regularly report or work from that place of business?
- Does the employer's work require the employer to spend more than 30 consecutive calendar days in another jurisdiction?

Issues of extraterritorial coverage must be addressed on a case-by-case basis. Policyholder Services is available to assist employers in relation to any coverage situations they may encounter.

### All States Coverage

As a state agency, and not an insurance company, WSI cannot write coverage for exposure outside the state. WSI has an agreement with The Accident Fund of America to provide coverage for North Dakota based employees traveling outside of North Dakota on a temporary and incidental basis in all states except Ohio, Washington, and Wyoming. Temporary or incidental refers to circumstances in which the North Dakota based employee has worked outside North Dakota for a period of not more than 30 consecutive days.

All active policyholders in good standing with WSI are automatically enrolled for this coverage.

All states coverage does not include Employers Liability Coverage.



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### Reciprocal Agreements

WSI has reciprocal agreements with seven states: Idaho, Montana, Oregon, South Dakota, Utah, Washington, and Wyoming. An approved reciprocal request allows an employer's employees to work temporarily in the state without purchasing workers' compensation coverage there.

- Reciprocal agreements must be requested and approved by the state where the employee(s) will be working.
- Agreements are temporary and must be closely monitored by the employer.
- Agreements with each state are different and may include exclusions.

### Over-the-Road Trucking

Extraterritorial coverage applies when the employer has control over the driver, dispatches employees from North Dakota, and does not lease the driver to employers in other states. However, trip leasing does not end coverage.



### Out-of-Country Injuries

WSI may extend workers' compensation coverage to North Dakota employers for employees hired in North Dakota and working outside of the United States for a short period. This applies if the workers' compensation system in the foreign country does not apply to the employer, and the employer provides a written request for coverage and satisfactory documentation before the exposure outside the U.S.

### Out-of-State Law Enforcement Training

WSI may extend coverage for a law enforcement officer employed by a North Dakota municipality or the state participating in out-of-state training lasting more than 30 consecutive calendar days, if the other state's workers' compensation system does not apply to the employer.

Employers must submit a written request for coverage to WSI and receive approval before the out-of-state training begins.