Workers’ compensation insurance protects employers and employees against financial loss in event of injury. Employers must continuously provide for workers’ compensation benefits to all employees. For workers’ compensation purposes, employee can include day labor, leased and borrowed staff, volunteers, part-timers and family members, as well as most subcontractors. Visit www.WCB.NY.Gov to download the Employers’ Handbook, a comprehensive resource for businesspeople about workers’ compensation.

**Who Needs Insurance**

1. Workers in all for-profit businesses.
2. Domestic workers, sitters, companions and live-in maids employed 40 hours per week in a residence.
3. Farm workers whose employer paid $1,200 or more for farm labor in the preceding calendar year.
4. Most workers compensated by a nonprofit organization.
5. Any other worker the Workers’ Compensation Board determines is an employee.

It’s unlawful for an employer to discriminate against an employee who files or testifies in a workers’ compensation case.

**Who Doesn’t Need Insurance**

Sole proprietors, individuals in partnerships (including LP, LLC, LLP, PLLC, PLLP or RLLP) and one/two-person corporations where they own all stock (a share or more each) and hold all corporate offices do not require coverage for themselves if they do not have any employees.

Business owners can always include themselves on a policy. For more complete information, including requirements for business owners serving as subcontractors, see Ch. 3 of the Employers’ Handbook, on the Board’s web site.

**Independent Contractors**

Workers under your direct control may be considered your employees for workers’ compensation purposes, regardless of their tax status. There is a perception that so-called independent contractors do not need workers’ compensation insurance; that is often false. A worker’s tax status does not determine if workers’ compensation insurance is required: You may need insurance even for 1099 employees.

**Why Comply with the Law?**

- There’s a $2,000 penalty for every 10 days without insurance, and penalties for misrepresenting payroll, employees, and record-keeping failures.
- Not carrying workers’ compensation insurance is a felony (more than five employees), or a misdemeanor.
- The Board actively pursues scofflaws, and has issued 7,000 stop-work orders.
- People and businesses who are penalized cannot win public work jobs.
- Business owners must pay lost wages and medical care for uninsured workers. Permanent total disability and death benefits are not capped.
- Employees generally can’t sue you for a work-related injury or illness when you’re insured.

**Obtaining Insurance**

- **Private Insurance.** Hundreds of private insurance carriers are authorized to write workers’ compensation insurance policies in New York.
- **Individual Self-Insurance.** Large employers can set aside reserves for self-insurance, in a formal, regulated process. Call the Board at (518-402-0247).

Insurers notify the Board when they write, modify or cancel insurance. If coverage is canceled without a replacement policy, the Board will contact you. Your insurance status is public information, available at the Board’s web site.

**NYS Workers’ Compensation Board**

(866) 298-7830
www.WCB.NY.Gov