

# Workers' Compensation Insurance for Domestic Staff

Domestic staff can be essential to the smooth functioning of your home — however, the risk of employee injury on the job exposes you to significant financial risk. Workers' compensation insurance is a simple and effective way to protect you and your employees.

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## Who Qualifies as Domestic Staff?

Domestic staff includes anyone hired to work privately for a household or residence to provide household services, such as:

- Housekeepers
- Chefs
- Chauffeurs
- Nannies
- Household Administration
- Gardeners/Lawn Services
- Personal Assistants

## Benefits of Workers' Compensation Coverage

Accidents in the realm of domestic employees can lead to legal and financial complications. Workers' compensation protects employers from significant financial liability in the event of workplace injuries, accidents or illnesses related to their employment.

**Lawsuits related to employee injuries often represent a coverage gap that workers' compensation insurance can fill.**

Workers' compensation helps prevent lawsuits from staff, because it is typically a sole remedy policy. This means that if a loss occurs and a claim is filed the employee forgoes the opportunity to sue the employer. Note that lawsuits arising out of employee-related injuries are not covered under primary liability, excess liability or medical payments when the employment meets the requirements for workers' compensation. Because of this, workers' compensation coverage is the only insurance available to help protect a domestic employer from such claims.

The legal requirements for workers' compensation vary widely depending on the state. Not all states require workers' compensation, but all domestic employers can purchase workers' compensation voluntarily for greater financial protection.

Here are some examples of varying state requirements for workers' compensation:

State	Requirements
Illinois	Required for any person who is employed by a household to work 40 or more hours per week for more than 13 weeks in a calendar year.
Michigan	For all people working on a regular basis (35 hours a week or more).
Massachusetts	For all individuals working 16 hours or more on a regular basis.
Minnesota	Required for any employee who makes more than \$1,000 per calendar quarter, including the value of room, board and other advantages.
South Carolina	Required for any employer who employs four or more household workers.
California	Required for any employee that works more than 52 hours per quarter. Can be obtained as an extension of your homeowners policy; talk to your licensed agent to get more information.

\*Some states do not share reciprocity with other states, meaning more than one policy may be necessary if domestic staff are traveling with the family.

When it comes to employing domestic staff, we highly recommend considering workers' compensation coverage. By adhering to legal requirements and tailoring a policy to fit your needs, you can create a safe environment for both you and your employees. Please contact your NFP advisor to discuss your options for insuring against this risk.

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