

# Covering Volunteers for Workers' Compensation

*Please Note: This article does not apply to Volunteer Firefighters or Volunteer Ambulance Workers*

Whether it is a fund raiser, community event or other social occasion; public and non-profit organizations often look for volunteers throughout the community to assist them with event operations. Many citizens stand at the ready to lend their assistance and donate time out of their day to help their local municipality, fire department, school or library. We applaud these people and appreciate their generosity. However, do we understand the exposures the organization is assuming by accepting these volunteer services? What happens if a volunteer is injured? What happens if a volunteer damages someone's property? What about the organization's property? For this article, we will review what happens if a volunteer is injured and what steps policyholders need to take to ensure there is proper coverage under their Workers' Compensation Insurance policy for this type of circumstance.

## **Workers' Compensation coverage for unpaid volunteers**

In New York, unpaid volunteers for public and not-for-profit organizations are not automatically covered under Workers' Compensation Law. Therefore, if an individual is injured while volunteering for you (or providing court ordered community service), there would be no coverage under an unendorsed Workers' Compensation policy. The public or non-profit entity itself would have to assume the liabilities of the injured volunteer.

The New York State Insurance Fund (NYSIF) does have the option to endorse the Workers' Compensation policy adding coverage for volunteer workers. By covering volunteers under your Workers' Compensation policy, it can protect the policyholder

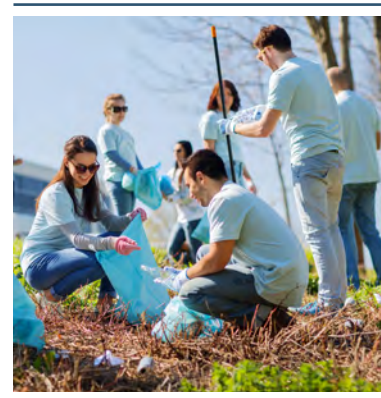
from potential lawsuits from volunteers for injury or illness (except in cases of negligence). This endorsement has to be requested (through the Group Manager) and has to be tied to a specific event. NYSIF does not offer a "blanket" volunteer endorsement, so every volunteer request needs to be made separately.

For example: If the policyholder requests a volunteer endorsement for a fundraising activity in October it does not mean that volunteers for a separate and distinct event in April are covered by this endorsement. A separate endorsement request for the April event must be submitted and approved by NYSIF prior to the event to ensure the volunteer coverage endorsement is on the Workers' Compensation policy.

## **What do I need to request a volunteer coverage endorsement?**

NYSIF will need to know approximately how many volunteers the policyholder will be using, what is the time frame of the services provided (starting on what date and ending on what date) and the location and scope of the volunteer services (i.e. painting, clerical, planting flowers, etc.).

By providing this information to the Group Manager, we can process the request directly with NYSIF to have the endorsement applied and can notify the policyholder when (and if)



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the request has been approved.

NYSIF does reserve the right to deny volunteer coverage endorsements. This typically happens when the request is to cover volunteers performing a service NYSIF feels is too dangerous or highly susceptible to injury.

### **What is the cost for the volunteer endorsement?**

Because a volunteer does not receive wages, different methods must be used to track volunteers in order to calculate the appropriate premium to be charged for this exposure. NYSIF will ask the policyholder to keep a log book to track the activities of their volunteers.

This can simply be: the name of the volunteer, the day(s) they volunteered, for how many hours and what scope of services they performed. At the time of audit, the NYSIF Auditor would ask to see the log book and calculate the amount of payroll equal to the hourly wages that would ordinarily be paid to a salaried employee performing similar work. A minimum premium rating basis of \$60 of "payroll" per day for each volunteer will be applied.

### **What are the potential benefits to an injured volunteer under this endorsement?**

If a volunteer is injured and you have the correct endorsement on your WC policy, they will be covered for medical expenses related to the injury. However, there would be no indemnity payments (lost wages) for a volunteer. That is unless said volunteer is performing court ordered community service.

Before you accept the services of a volunteer, be ready for the potential injury and/or liability exposures this entails. Making sure your Workers' Compensation policy is properly endorsed is

a helpful risk management tool to mitigate the exposure.

Another option would be looking into a volunteer accident policy with the Group Manager for additional coverages to help protect these individuals.

For questions or concerns on this article, please contact our office at 518-478-6314, ext. 102 or [frm@fleuryrisk.com](mailto:frm@fleuryrisk.com).

