



COMMONWEALTH OF VIRGINIA
VIRGINIA WORKERS' COMPENSATION COMMISSION
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Across State Lines Insurance Coverage Information

Virginia Coverage Requirements

Virginia law requires that an employer who regularly employs more than two part-time or full-time employees carry workers' compensation. If a business hires subcontractors to perform the same trade, business or occupation, or to fulfill a contract of the business, the subcontractor's employees are included in determining the total number of employees.

- An employer based outside of Virginia but performing work in Virginia through its own employees or through subcontractors, or regularly bringing workers into Virginia, must abide by Virginia workers' compensation coverage requirements.
- The workers do not need to reside in Virginia, the work need only be performed in Virginia.
- Coverage is required for an out of state business performing even temporary or seasonal work in Virginia.

Proper Virginia Coverage

Virginia workers' compensation insurance coverage is required for work performed in Virginia. For many out of state employers with an insurance policy based outside Virginia, this can be accomplished with the addition of a **Virginia Amendatory Endorsement** (WC 45 06 02) on the existing policy which adds Virginia to **item 3A of the policy**. 3A of the policy lists those states where the business performs work and therefore has known exposure. Virginia listing under item 3C of the policy is not sufficient.

- Only a Virginia licensed carrier may write coverage in Virginia.

If the out of state employer's policy is with a carrier that is not licensed in Virginia, then the Virginia 3A endorsement cannot be added. Monopolistic state funds cannot cover Virginia. In the event Virginia endorsement cannot be added to a policy, the only other way to properly insure in Virginia is to obtain a Virginia workers' compensation insurance policy with a Virginia licensed workers' compensation insurer.

No Reciprocity

Some states enter into reciprocal agreements with other states that allow employers with employees temporarily employed in another state to be exempt from the other state's Act under certain conditions and for a limited period of time. Virginia does not have a Reciprocal Agreement with any other state.

Uninsured Penalty

Failure to properly insure in Virginia when required by law shall subject an employer to a civil penalty of up to \$250 per day uninsured, subject to a maximum penalty of \$50,000.00 plus costs.