

Other States Coverage

Trucking Payroll Allocation Procedures

Other States Coverage

Of all the classes of business operations, trucking always creates confusion about how to provide proper coverage and how to rate workers' compensation insurance. A trucking company can be located in one state, the truck driver can live in another state, and an injury can occur in a third state. Long haul drivers can cross multiple state lines in one day. For trucking companies who have Ohio's State Insurance Fund coverage and BWC's Other States Coverage, we have simplified payroll reporting procedures with the operational scenarios found later in this document. Our goal is to assign the payroll to the state where the claim is most likely to occur and prevent double reporting of payroll.

Trucking companies who have both an Ohio State Insurance Fund policy and BWC's Other States Coverage policy must track payroll on an individual employee basis. Payroll is then allocated between the Ohio State Fund Policy and BWC's Other States Coverage policy based on the method outlined.

Definitions

Home terminal – The place of business of a motor carrier at which a driver ordinarily reports for work

State of residence – The state used by the driver/trucker for filing federal income taxes

"If any" policy – A minimum premium policy for Other States Coverage with all payroll reported to Ohio. Only written for out-of-state exposures with limited or unknown exposure.

Home terminal located in Ohio

If the Ohio employer has a home terminal location in Ohio, all payroll for those drivers/truckers who report to the home terminal, regardless of their state of residence, shall be assigned to Ohio and the State Insurance Fund policy will provide coverage. An "if any" policy would be issued to provide coverage to drivers/truckers in states where laws require specific coverage for temporary exposures, or those other states where a driver/trucker may work.

For example, the driver/trucker's residence is Parkersburg, West Virginia, and the driver/trucker

reports to a home terminal in Marietta, Ohio. In this case, the employer reports the payroll for the driver/trucker to Ohio.

Home terminal located outside Ohio

If the Ohio employer has a home terminal location in a state other than Ohio, all payroll for those drivers/truckers who report to the home terminal, regardless of their state of residence, shall be assigned to the state of the home terminal location and the Other States Coverage policy will provide coverage.

For example, the driver/trucker's residence is in Cincinnati and the driver/trucker reports to a secondary home terminal in Covington, Kentucky. Therefore, the employer reports the payroll for the driver/trucker to Kentucky.

No home terminal – employee is Ohio resident

If the Ohio employer does not have a home terminal location, and the driver/trucker state of residence is Ohio, all payroll for those drivers/truckers is assigned to Ohio and the State Insurance Fund will provide coverage. An "if any" policy would be issued to provide coverage to drivers/truckers in states where laws require specific coverage for temporary exposures, or those other states where a driver/trucker may work.

For example, a driver/trucker's residence is Toledo, Ohio, and the driver/trucker does not have a home terminal. In this case, the employer reports the payroll for the driver/trucker to Ohio.

No home terminal – employee is not an Ohio resident

If the Ohio employer does not have a home terminal location, and the driver/trucker's state of residence is a state other than Ohio, all payroll for those drivers/truckers is assigned to the driver/trucker's state of residence and the Other States Coverage policy will provide coverage.

For example, a driver/trucker's residence is Indianapolis, and the driver/trucker does not have a home terminal. Under this scenario, the employer reports the payroll for the driver/trucker to Indiana.

Other exposures

The Other States Coverage underwriter, at his or her discretion, may determine the exposure in a state is atypical or non-incident for an "if any" policy and require the employer to provide payroll estimates for the state in which the employer requests coverage.

For example, there is no home terminal location in Ohio, and the driver/trucker's residence is Wheeling, West Virginia, and the driver/trucker's routes are only in Pennsylvania. In this case, the underwriter may determine that the employer should allocate payroll to Pennsylvania because it is the state of predominant work. The underwriter documents this decision in the underwriting file.

The insurer may write Other States Coverage policies to provide coverage to drivers/truckers in states

where laws require specific coverage for temporary exposures, or those other states where a driver/trucker may work. If those states are not the location of the home terminal or the driver/trucker residence, the Other States Coverage policies shall be written on an "if any" basis.

For example, the Ohio employer has no home terminal location in Pennsylvania and no driver/trucker's residences are in Pennsylvania. The driver/trucker travels through Pennsylvania. In this case, an "if any" policy is provided to the employer to meet Pennsylvania state requirements and the driver/trucker's payroll is reported to their home terminal location or state of residence.

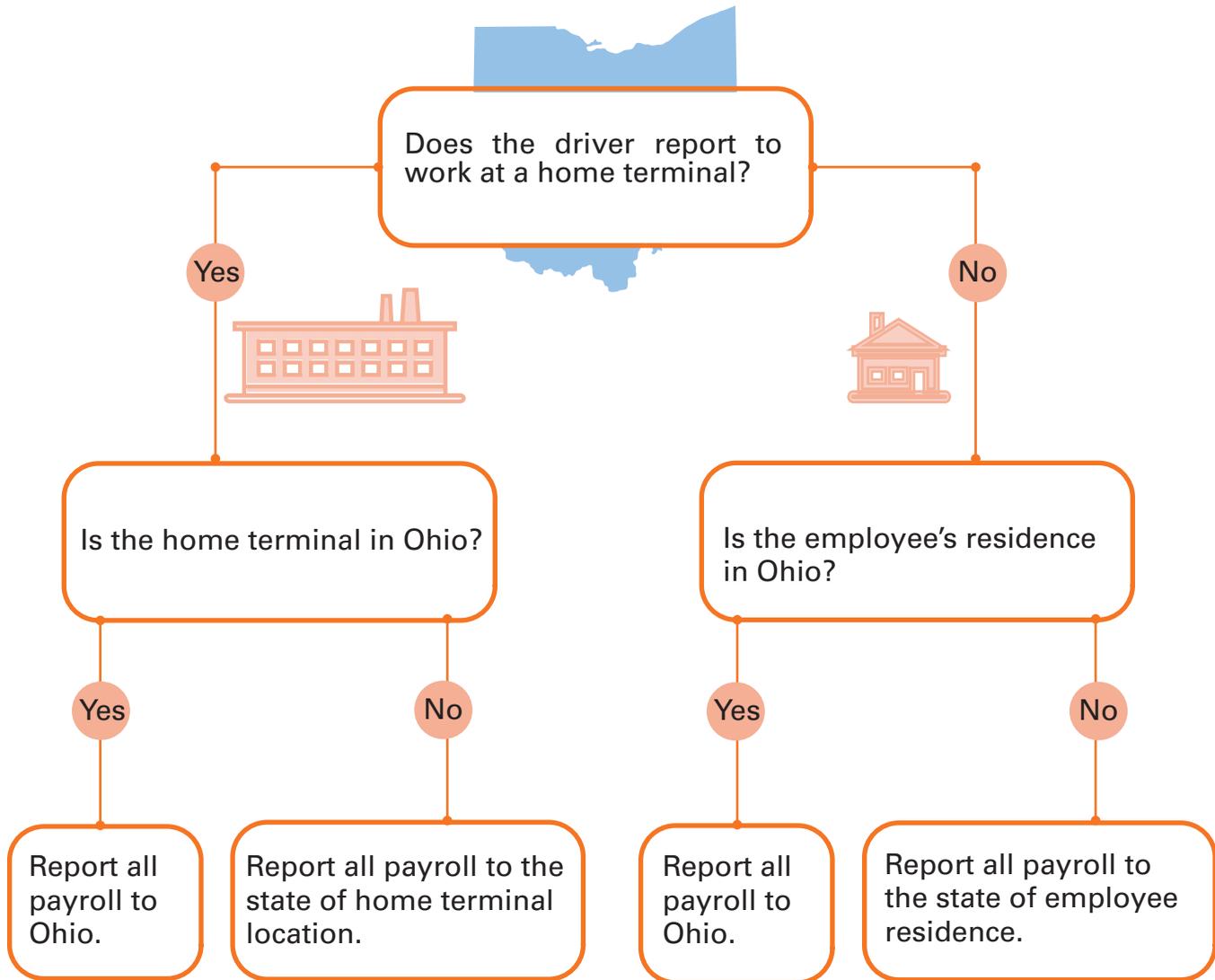
If an individual files a claim in a state where an "if any" policy exists, a percentage of the employee's payroll for a period of one year will be reassigned from the Ohio State Insurance Fund policy to the state where the injury occurred and the Other States Coverage policy.

Owners-operators

Each state has different rules and laws that address the inclusion/exclusion from workers' compensation coverage of owners-operators and or hired/drivers. In general, if a trucking company uses owner-operators in their operations, the company must provide proof that the owner-operator has either coverage or a valid exemption. If the trucking company cannot furnish proof of this in the form of a certificate of coverage or a certificate of exemption, they may be required to include the owner-operators payroll in their Other States Coverage policy.

For more information on BWC's payroll reporting policy for trucking operations, please email bwcotherstates-coverage@bwc.state.oh.us.

Trucking Payroll Allocation Matrix for Trucking Industry



For the trucking industry, "if any" policies are reviewed for eligibility and underwriting criteria for:

1. States where laws require specific coverage for temporary exposures;
2. Ohio based employees working in another jurisdiction for an extended period of time.