

# Workers Compensation Coverage and Volunteers

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## Are Volunteers Covered Under Workers Compensation Policies?

Workers Compensation laws vary by state, so the specific circumstances of a volunteer relationship and the applicable jurisdiction must be evaluated in answering this question. Many states do not allow Workers Compensation insurance to extend to volunteers, only to paid employees. In some states, payment in kind, such as room and board, would require employers to cover volunteers. It's important to evaluate the [laws of your state](#) and the specific volunteer relationship to determine whether you are required to provide Workers Compensation coverage.

If a state does not permit workers compensation insurance to cover volunteer workers, then you have some other options:

1. Provide a volunteer accident medical insurance policy designed specifically to pay the medical bills (or deductibles and co-pays if otherwise covered under another plan) if volunteers are injured in their capacity as volunteers. For volunteers, this provides "no-fault" coverage and immediate benefits without having to sue for compensation. The organization benefits by reducing the likelihood of a suit which may include claims beyond just medical expenses.
2. Require volunteers to sign waivers and hold-harmless agreements acknowledging up front that you are not providing coverage, and that they are assuming the risks themselves. You may even want to ask for evidence of coverage if the expectation is that the volunteer is to use their own medical coverage. LawHelp offers [sample waivers of liability for volunteers](#). Note that not all waivers will hold up in court, but they may still be of value by outlining the risks and explaining the safety measures volunteers are expected to follow.
3. Combining both of the options above increases the likelihood of courts upholding waivers of liability or hold harmless agreements if an accident policy is offered in exchange for the waiver or hold harmless agreement.
4. General Liability coverage may be available to short-term volunteers, provided volunteers are not also named as insureds under the policy. If volunteers are included as insureds, they will be precluded from filing a claim against another insured under the policy.

If a state does allow an endorsement to extend Workers Compensation coverage to volunteers, your insurance company will likely want to details on the duties performed, the hours worked, the age range of volunteers, etc. to underwrite the exposure to potential injury.

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*Volunteers: to cover or not to cover – that is the question!*

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| PROs | <ol style="list-style-type: none"><li>1. Workers Compensation coverage is an exclusive remedy in most jurisdictions. If a volunteer is deemed to be eligible for workers compensation coverage, then he or she is precluded from suing the entity who “employed” them as a volunteer.</li><li>2. Injuries are subject to a schedule of benefits, which helps control the overall claim costs to some degree.</li></ol>   |
| CONs | <ol style="list-style-type: none"><li>1. Workers Compensation is a no fault coverage; you’re picking up losses regardless of negligence for volunteers who would normally have to prove negligence and make a claim against you or file a suit to receive payment.</li><li>2. Any losses paid under the policy will affect your “experience modification”, which is a factor applied to your premium regardless of the insurance company providing your coverage. The experience period goes back 4 years in history.</li><li>3. You have less control over how volunteers behave than you do with your own employees. The commitment to compliance with the rules, codes, procedures, and culture of an organization may not be as strong among volunteers. They have less to lose than employees.</li><li>4. It’s difficult to facilitate “return to work” and “modified work duty” for someone who is not your employee. If the volunteer has a paying job where they are losing wages as a result of an injury as your volunteer, their employer has little financial incentive to be accommodating unless the injured person is a key employee.</li><li>5. Volunteers are generally not subject to the same comprehensive hiring process as employees that includes some level of screening and/or reference checks. You know less about them when you bring them on.</li><li>6. Volunteers who are not considered employees may not be held to the exclusive remedy of Workers Compensation coverage, and could still opt to pursue a lawsuit instead.</li></ol> |

By adding claims for injury to volunteers to your loss history, you may be driving up your insurance costs for years, sometimes significantly. Volunteers have little to lose in maximizing their claim dollars. Think very carefully before you opt to take on this additional exposure, and consider whether the alternative approaches may not be a better solution.

Resources and Additional Information:

- ✓ [When Nonprofits Need Workers Compensation Insurance for Volunteers](#)
- ✓ [Are Your Volunteers Protected By Your Workers’ Comp or Liability Policy?](#)
- ✓ [6 Legal Requirements For Unpaid Internship Programs](#)
- ✓ [Do Volunteers Qualify for Workers Compensation?](#)

## Source Materials

Insureon NonProfit News <https://nonprofit.insureon.com/news>

PSA Insurance & Financial Services <https://www.psafinancial.com>

Forbes <https://www.forbes.com>

SFM Companies <https://www.sfmic.com>

National Council on Compensation Insurance (NCCI)

<https://www.ncci.com/pages/default.aspx> (especially State Instructions pages)

*These discussions are not intended to represent a comprehensive review of all of the possible scenarios or legal issues surrounding volunteer workers or workers compensation coverage, but are offered for general information purposes. For more information, please consult the additional resources and source materials referenced above; for specific situations, consult an attorney and the employment laws for the applicable state(s).*