



Workers' Compensation Laws: A State-By-State Comparison

ALABAMA



5+ employee businesses and LLCs or corporations (with officers/members counted) require workers' compensation insurance.

Exempt from coverage: Businesses with 4 or fewer employees (except construction), household/farm/casual employers optional, sole proprietors opt-out.

ALASKA

Employers with one or more employees must have workers' compensation insurance.

Exempt from coverage: Sole proprietors, partners, executive officers of non-profits, LLC members, part-time babysitters/cleaners, harvest help, sports officials, contract entertainers, commercial fishers, and contract-based taxi drivers. For-profit executive officers can choose exclusion.



ARIZONA



Worker's compensation is required for any business that regularly hires or employs at least one employee, regardless of the number or type of workers (whether part-time, full-time, minors, aliens, or family members).

Exempt from coverage: Working partners, contractors, casual workers, domestic servants. Sole proprietors without employees can opt-out or carry coverage.

ARKANSAS

Most employers with three or more employees must carry coverage.

Exempt from coverage: Employers with 2 or fewer employees, farm laborers, real estate agents.



CALIFORNIA



All employers (including corporate officers/directors) must carry coverage even for one employee; out-of-state employers may need coverage for CA-based employees/employment contracts.

Exempt from coverage: Corporate executive officers/directors must have coverage, except for fully-owned corporations, who may opt-out. Sole proprietors without employees can opt-out.

COLORADO

All employers with one or more employees, whether full- or part-time, is required to have coverage. Anyone hired to perform services for pay is considered an employee.

Exempt from coverage: Casual repair work for < \$2,000/yr, non-full-time domestic/maintenance workers, commission-based real estate agents/brokers, independent contractors (no employees), drivers with contract carriers. Sole proprietors can choose coverage. Corporate officers/LLC members may exclude themselves.



CONNECTICUT



All businesses with one or more employees (full-time, part-time, or contract) except those able to self-insure must have coverage. Also included are uninsured subcontractors.

Exempt from coverage: Automatic inclusion for corporate officers/multi-member LLCs (may opt-out); Sole proprietors/single member LLCs optional. Exempt: partnerships (only for employees), private home work (<26hrs/wk).

DELAWARE

Employers with one or more employees must have workers' compensation.

Exempt from coverage: Farm workers are exempt from the workers' compensation law, but employers may choose to provide coverage. Workers considered to be independent contractors, rather than employees, are also not covered.



DISTRICT OF COLUMBIA



Employers with one or more employees must have workers' compensation.

Exempt from coverage: Sole proprietors are not required to unless they have employees, but can choose to purchase coverage for themselves. Homeowners are required to have coverage for domestic workers if one or more works at least 240 hours during any calendar quarter in the same or previous year.

FLORIDA

Construction businesses with 1+ employees & non-construction industry employers with 4+ employees (full-time & part-time) need coverage. Agricultural businesses with 6+ regular employees and/or 12+ seasonal employees who work >30 days must carry coverage.

Out-of-state employers must immediately notify their carrier that they have employees working in Florida, carry a Florida workers' compensation policy, or have the out-of-state policy include Florida.

Exempt from coverage: Corporate officers are employees unless exempt, sole proprietors/partners are not unless they opt-in, and LLC members are employees unless they opt-out.



GEORGIA



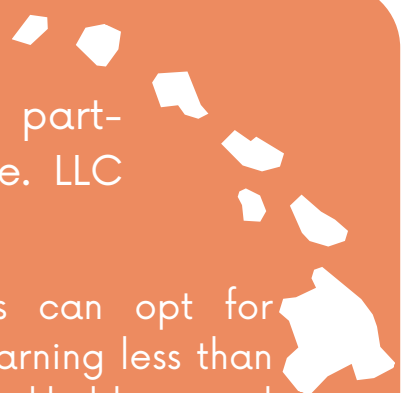
Employers of 3+ people must carry coverage, including exempted officers of corporations and LLC members. Subcontractors may be liable for coverage for their employees if they lack coverage.

Exempt from coverage: Georgia exempts sole proprietors and partners, who can opt for coverage as an employee by informing their insurance carrier.

HAWAII

Any employer with one or more employees (full- or part-time, permanent or temporary) must carry coverage. LLC members must also be covered.

Exempt from coverage: Sole proprietors and partners can opt for coverage, but are generally excluded. Domestic workers earning less than \$225 per calendar quarter, some 25% and all 50% stockholders, and commission-paid real estate salespeople are also excluded. Employers have the option to cover any of these excluded employees.



IDAHO



Employers with one or more full- or part-time, seasonal, or occasional employees are required to have workers' compensation coverage.

Exempt from coverage: Sole proprietors exempt, but can opt-in. Other exemptions: domestic workers, certain family members of sole proprietors, agricultural pilots, commission-paid real estate salespeople, and occasional/irregular casual employees not related to the business.

ILLINOIS

Any employer with one or more employees (full- or part-time, permanent or temporary) must carry coverage. LLC members must also be covered.

Exempt from coverage: Insurance required for all employers, including those with one part-time employee. Construction, trucking, or hazardous fields must have insurance.



INDIANA



All employees must be covered.

Exempt from coverage: Sole proprietors, partners, and LLC members excluded but can opt-in. Corporate officers included but can opt-out. Building and construction trade independent contractors must be certified with the Indiana Worker's Compensation Board. Independent contractors not covered by workers' compensation.

IOWA

Any employer with one or more employees (full- or part-time, permanent or temporary) must carry coverage. LLC members must also be covered.

Exempt from coverage: Sole proprietors and LLC members not required to be covered, but can opt-in. Exemptions: domestic/casual workers earning <\$1,500 from employer in 12 consecutive months before injury, agricultural workers whose employer has <\$2,500 cash payroll in the year before injury, agricultural exchange labor, and officers of a family farm corporation and their immediate family.



KANSAS



Required for all employers with gross payroll >\$20,000 (including executive officers), with some exceptions. Sole proprietors and partnership wages paid to owners/family not included in total payroll.

Exempt from coverage: Agricultural employers and those with annual gross payroll under \$20,000. Sole proprietors, partners, and LLC members are exempt, but can choose to be included. Independent contractors with no employees may choose to be exempt from carrying insurance, but those with employees and payroll exceeding total gross payroll of \$20,000 must provide coverage. Family members that are not true owners of a company, or do not own 10% of the business, must be included in the coverage and cannot choose to be excluded.

KENTUCKY

All employers with 1+ employees must have coverage, regardless of employee status.

Exempt from coverage: Sole proprietors, partners, and LLC members excluded but can opt-in. Exceptions: farm workers, domestic servants in a home with <2 full-time employees, and employees protected by federal laws (railroad and maritime workers). Independent contractors not covered unless they have their policy.



LOUISIANA

All employers must provide workers compensation insurance for their employees (whether part-time, contractors, or full-time).

Exempt from coverage: Sole proprietors, partners, corporate officers, and LLC members can opt-out. Exemptions include airplane dusting/spraying crews, real estate brokers/agents, musicians/performers, federally covered employees, unpaid officers/board members of some nonprofits, and mineral exploration/production/transport workers.



MAINE

All businesses with at least 1 employee must provide workers' compensation. Independent contractors are not employees, but subcontractors must be covered if hired.

Exempt from coverage: Sole proprietors, partners, and LLC members may choose to be included. Domestic servants and some agriculture workers are exempt if they have \$25,000 in liability insurance and \$5,000 in medical payments coverage), and employers of six or less agriculture/aquaculture employees (must have liability insurance of \$100,000 for each full-time equivalent employee and at least \$5,000 minimum in medical payments coverage).



MARYLAND

All employers must provide workers' compensation insurance with few exceptions.

Exempt from coverage: Sole proprietors are excluded from requiring mandatory coverage, but can choose to include themselves in their policy. Agricultural employers with less than three full-time employees or an annual payroll for full-time employees below \$15,000 are exempt. Agricultural office workers, independent contractors on farms (other than migrant laborers), and owner-operators of large tractor-trailer vehicles are also exempt.



MASSACHUSETTS

All businesses must carry workers' compensation insurance, including owners as employees. Domestic service employees must be covered if working 16+ hours/week.

Exempt from coverage: Sole proprietors, partners, and LLC members may opt out of coverage. Other exemptions include workers in interstate/international commerce, salespeople paid by commission, taxi drivers leasing their cabs on a non-fare basis, and those covered by federal law.



MICHIGAN

All businesses with 1+ employees are required to carry coverage.

Exempt from coverage: Employees of a sole proprietorship are covered by the Workers' Disability Compensation Act, but the sole proprietor (the business owner) is self-employed, not considered to be an employee, and not covered. Under certain circumstances named partners and corporate officers who are also shareholders of small, closely-held corporations may exempt themselves from coverage. Certain family members of an employer may also be exempt. Virtually all other employers and employees are subject to the law.



MINNESOTA

All employers are required to provide workers' compensation insurance coverage to all employees, including non-US citizens and minors.

Exempt from coverage: Sole proprietors, partners, some managers of LLCs, officers of closely held corporations and certain relatives are excluded from compulsory coverage, but may choose to be included in their policy. Employers covered by federal liability laws are exempt, and so are family farm operations, with some restrictions.



MISSISSIPPI



All employers with five regular employees must provide workers' compensation insurance coverage.

Exempt from coverage: Sole proprietors, partners, and corporate officers are optional for coverage. Employers with <5 employees, domestic/farm laborers, and independent contractors are exempt but employees of subcontractors are protected.

MISSOURI

Employers with 5+ employees must carry workers' compensation coverage. All construction businesses with 1+ employees (including part-time, full-time, temporary, and seasonal) require coverage. Corporate officers count toward the employee total.

Exempt from coverage: Owners and partners may opt out but can choose to be covered. Exceptions: farm laborers, domestic servants, real estate salespeople, and commercial motor-carrier owner/operators. LLC members are covered unless they opt out.

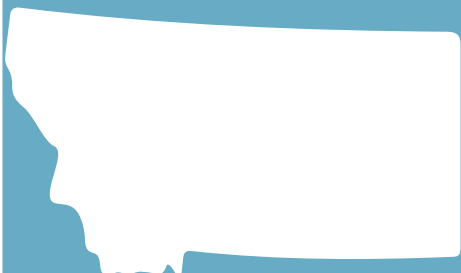


MONTANA

Workers' compensation coverage is required for all employees. Businesses in the construction industry must provide coverage for all employees, both resident and nonresident, if and while they work in Montana.

Exempt from coverage: Sole proprietors can exclude themselves from coverage, but may choose to be included. Contractors don't have to be covered under a business' workers' compensation policy, but must provide proof that they are a certified independent contractor.

Without proof, your business might be held responsible for their injuries. Other exceptions include domestic/household workers, casual/infrequent employees, freelancers, newspaper carriers, licensed barbers or cosmetologists who contract with cosmetology establishments, petroleum land professionals, and real estate, securities, and insurance salespersons paid by commission.



NEBRASKA

All employers (including contractors) with 1+ employees (including part-time employees and minors) must have workers' compensation insurance.

Exempt from coverage: Sole proprietors with no employees are not required to carry coverage, but may choose to purchase coverage. Federal employees, railroad employees, most volunteers, and independent contractors are exempt, as are household/domestic servants and some employees of agricultural operations (unless the business chooses to provide coverage).



NEVADA

Employers must cover all employees and subcontractors, except independent enterprises. Construction businesses must have workers' compensation insurance.

Exempt from coverage: Sole proprietors without employees aren't required to carry coverage, but can choose to carry coverage for themselves. Other exceptions include household/domestic workers, agricultural or horticultural labor, employment related to interstate commerce entities not subject to Nevada's laws, employment covered by private disability and death benefit plans, employers working in Nevada temporarily and insured in another state (not including construction), and casual employees (lasting less than 20 days with a labor cost of under \$500), among others.



NEW HAMPSHIRE

Employers with any employees must have workers' compensation insurance, including non-profits.

Exempt from coverage: Sole proprietors, partners, and self-employed individuals are not required to carry coverage for themselves, but may choose to. Business that use subcontractors must ensure they have coverage or could be held liable for any injuries to the subcontractor's employee(s). Coverage is not mandatory for corporations or LLCs with three or fewer executive officers or members and no other employees, but remains optional. Once there's a fourth officer or member, though, workers' compensation must be obtained.



NEW JERSEY



Employers with one or more employees must provide coverage, except for those under federal programs. Out-of-state employers may need coverage for NJ work or employment contracts.

Exempt from coverage: Sole proprietors with no employees are not required to carry coverage, but may choose to cover themselves.

NEW MEXICO

All businesses with 3+ employees are required to have workers' compensation insurance. Coverage may be purchased voluntarily if the business has less than 3 employees. Construction businesses must carry coverage regardless of their number of employees.

Exempt from coverage: Sole proprietors and are usually excluded from coverage, but can choose to cover themselves. Coverage is not required for domestic servants, real estate salespeople, or farm/ranch laborers. Executives or sole proprietors with a financial interest who are employed by a corporation or LLC can choose not to be covered, but the executive is still counted for determining the number of workers.



NEW YORK



Virtually every employer is required to provide workers' compensation insurance for all employees (including family members, part- and full-time workers, and leased employees).

Exempt from coverage: Coverage isn't required for sole proprietors or partners without employees, but they can purchase it for themselves.

NORTH CAROLINA

All employers with three or more employees are required to carry workers' compensation insurance for all employees (including minors and undocumented workers). Any business in which one or more employees' work involves the use or presence of radiation must have compensation insurance.

Exempt from coverage: Employers with less than 3 employees. Corporate officers may choose to be excluded from insurance coverage, but are still counted in the employee count. Sole proprietors, LLC members, and partners are not automatically counted as an employee and may choose to be included. Agricultural employers are not required to carry workers' compensation unless they have 10+ non-seasonal agricultural workers. Domestic/household servants are exempt.



NORTH DAKOTA



All employers must have workers' compensation insurance for all employees (part-time, full-time, or seasonal) before hiring.

Exempt from coverage: Sole proprietors, partners, and corporate officers have the option to cover themselves, but can choose not to. Farm and ranch labor, household/domestic workers, verified independent contractors and children (under age 22) of the employer are exempt.

OHIO

All employers with one or more employees must carry workers' compensation insurance..

Exempt from coverage: Coverage is optional for sole proprietors, partners, family farm corporate officers, LLCs acting as partnerships, an LLC acting as sole proprietor, and individuals incorporated as a corporation (with no employees).



OKLAHOMA

All employers, even those with one part-time employee, must carry workers' compensation insurance.



Exempt from coverage: Sole proprietors, LLCs, partners, and corporate officers can choose to cover themselves or be excluded. There is also a "family of five or fewer exemption," where an employer with five or fewer total employees (all of whom are related by blood or marriage to the employer), are exempt.

Some workers in agricultural/horticultural businesses, licensed real estate brokers, and most household/domestic workers are exempt.

OREGON

Employers with 1+ employees must carry workers' compensation insurance.

Exempt from coverage: Sole proprietors can purchase coverage for themselves, but are not required to.



PENNSYLVANIA



Workers' compensation insurance coverage is required for all employers with 1+ employees (regardless of employee status, number of hours worked per week or whether the employee is a spouse or child).

Exempt from coverage: Coverage for sole proprietors, partners, and corporate officers is optional. Licensed real estate salespeople or brokers, licensed insurance agents who work on a commission-only basis, domestic or casual laborers, outworkers, farmers with one employee who works less than 30 days a year or earns less than \$1,200 a year, and a spouse or child of the farmer employer under eighteen years of age are exempt.

RHODE ISLAND

Employers with 4+ employees must carry workers' compensation coverage.

Exempt from coverage: Employers with three or fewer employees, sole proprietors, partners, and independent contractors. Some real estate, agricultural and domestic/household employees may be exempt.



SOUTH CAROLINA

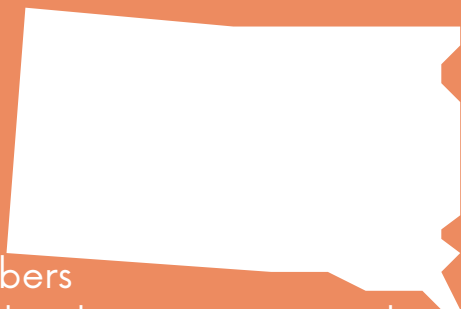


Employers that employ 4+ full-time or part-time employees are required to carry workers' compensation insurance. Employees include adults, minors, and seasonal workers.

Exempt from coverage: Sole proprietors, partners, and LLC members can opt in for coverage. Exemptions include farm workers, railway employees, and employers with <\$3,000 payroll. Textile hall corporations and some real estate salespeople are also exempt. Subcontractor's employees are covered by employer's insurance if the subcontractor lacks coverage.

SOUTH DAKOTA

All employers must carry insurance, regardless of the number of employees.



Exempt from coverage: Corporate officers and members of LLCs are included, but may choose to be excluded. Sole proprietors and partners are excluded, but may choose to be included. Domestic servants working under 20 hours per week and less than 6 weeks in any 13-week period, farm/agricultural laborers, independent contractors, real estate agents, and owner-operators of trucks certified as independent contractors are exempt.

TENNESSEE

Every employer in the construction or coal mining business or trades (regardless of the number of employees, including subcontractors), and every employer with 5+ employees must carry coverage.



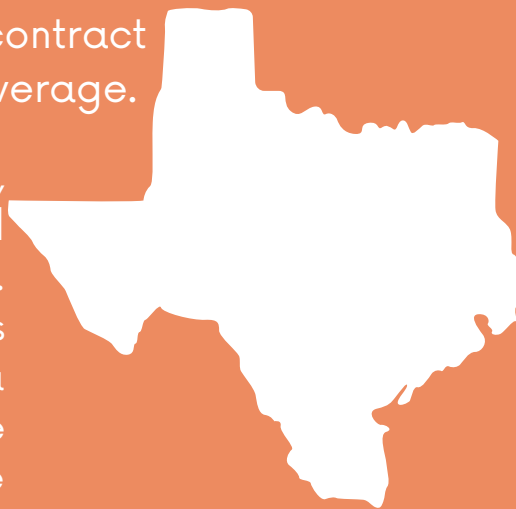
Exempt from coverage: Family members and part-time employees are included when determining the number of employees.

Corporate officers are also included in the count (even if excluded from coverage). Sole proprietors, LLC members, and partners are excluded but may choose to be included.


TEXAS

Workers' compensation insurance is optional for employers in Texas. Construction companies on contract for governmental entities, however, must have coverage.

Exempt from coverage: Sole proprietors, partners, corporate officers, and LLC members are included under state coverage, but can choose to opt out. Employers not carrying insurance are non-subscribers and must notify employees, but could be liable in a civil suit. Workers have the legal right to file compensation claims if they think they have a genuine case and their employer refuses to pay benefits.



UTAH



All employers are required to carry coverage for employees. Directors, officers, and LLC members are considered employees. To exclude themselves from mandatory coverage, they must do so through an insurance company.

Exempt from coverage: Coverage is optional for sole proprietors, partners, and LLCs. General contractors must make sure their subcontractors have coverage, including sole proprietors, partners, and corporate officers. Employers of agricultural laborers, casual or domestic workers, and real estate brokers are exempt from mandatory coverage.


VERMONT

All employers with 1+ employees (full- or part-time) must carry coverage.

Exempt from coverage: Sole proprietors and partners can buy coverage, but it's optional. Corporate officers and LLC members must have coverage, but can opt out. Firms working with independent contractors must establish in writing who's accountable for insurance. If the contractor lacks coverage, the business is liable. Casual workers and some agriculture workers are exempt.



VIRGINIA



Employers who regularly employ 2+ employees are required to have coverage. Employees include part-time, seasonal and temporary workers, minors, trainees, immigrants, and working family members. Coverage is optional for businesses with fewer than 2 employees.

Exempt from coverage: Sole proprietors, partners, and LLC members are excluded from mandatory coverage, but may choose to cover themselves with their policy. Independent contractors are not automatically eligible for workers' compensation coverage, but if the independent contractor employs 2+ full- or part-time employees, those workers are eligible.

WASHINGTON

All employers with 1+ employees must carry coverage.

Exempt from coverage: Sole proprietors, partners, corporate officers, and LLC members are excluded from mandatory coverage, but may choose to be included in their policy.

Exemptions include domestic servants (but two or more employed regularly for over 40 hours/week must be covered), private residential gardeners and maintenance/repair workers, family farm laborers who are minors, musicians/entertainers at specific events, and cosmetologists/barbers who rent or lease their space.



WEST VIRGINIA

All employers must carry coverage, with some exceptions.



Exempt from coverage: independent contractors, small agricultural/casual employers. Coverage required for LLC members, sole proprietors, partners, and corporate officers, but they can opt out. Additional exemptions: domestic, federal, church employers, and organized sports (except for employees who run the business).

WISCONSIN

Employers with 3+ full- or part-time employees must carry coverage.

Exempt from coverage: Employers with less than 3 employees are exempt from coverage. Sole proprietors can opt for self-coverage. Farmers employing >6 workers for 20 days must buy insurance within 10 days. Out-of-state employers with Wisconsin workers need WI-licensed insurance. Employers with >\$500 combined gross wages at Wisconsin locations must have insurance by 10th day of next quarter.



WYOMING

All employers must cover all employees, including minors, authorized aliens, and those reasonably believed to be authorized, under any contract of hire (written, oral, or implied).

Exempt from coverage: Sole proprietors and partners are not covered, while corporate officers and LLC members may opt in. Other exemptions include casual laborers, independent contractors, spouses/dependents living with the employer, some caregivers paid by Wyoming's department of family services, and domestic employees.

