
Washington USL&H Assigned Risk Plan

Insurance for United States Longshore & Harbor Workers' Act

Alternate Employer endorsement

What Is an Alternate Employer Endorsement?

An Alternate Employer endorsement extends your existing workers compensation coverage to another company, or companies, with whom you may do business. An Alternate Employer endorsement lists other company/companies to be included in your policy's coverage within the policy's endorsement schedule.

The Alternate Employer endorsement is often used when businesses use contracted employees, or adds employees from temporary employment/ HR / PEO type companies.

Your company remains the worker's primary employer, with coverage under the Alternate Employer's endorsement that applies only to work performed by the temporary workers under that contract or for the duration of that project for which the Alternate Employer Endorsement is obtained.

The Alternate Employer endorsement covers injuries sustained by employees during their temporary or special employment by the alternate employer listed in the endorsement schedule. The schedule must indicate the state in which the temp workers are employed.

You will see when you read the Endorsement (below), that in paragraph 3, it specifies that the alternate employer may still have an obligation to provide their staff workers' compensation coverage – this is especially true if your client is a contractor. Be aware that your policy is **not** intended to provide coverage to uninsured subcontractors or employees just because they are included on the payroll of your client. This protection is an important reason why you should insist that your carrier schedule each and every client onto the policy with this endorsement. It will protect you from an unforeseen claim that could be filed by a casual laborer who has been hired by an uninsured subcontractor of one of your clients.

Alternate Employer's Obligations in the Claims Process

When an Alternate Employer is added to a policy's endorsement schedule, the Alternate Employer is often required to assist in any claims investigations. This typically means reporting any injuries a temp employee may suffer or ensuring the employee is given proper medical treatment following an injury. The Alternate employer must also provide to the policyholder any documentation related to the injury. However, if the policy is canceled for any reason, the insurance company is not obligated to tell the Alternate Employer, because you remain the primary party on the policy.

Example of an Alternate Employer Endorsement

You own a temporary staffing agency. A ship repair company that your company occasionally provides with staff is behind schedule on repairing a hull; they ask if can provide them a trained welder from your company, for a week. You agree. To protect themselves from work comp claims, they ask you to provide an Alternate Employer endorsement under your policy.

Two days into the job, the welder you sent them suffers a flash burn. The ship repair company fully complies with the claims investigation and submits all required incident reports and documents on time.

The employee will be covered under your workers' compensation policy, and thus should make their claim against your company's insurance policy.

The following is a **Sample of Form WC 00 03 01A**, used by the Servicing Carrier of WARP for this policy endorsement.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 03 01 A

(Ed. 2-89)

ALTERNATE EMPLOYER ENDORSEMENT

This endorsement applies only with respect to bodily injury to your employees while in the course of special or temporary employment by the alternate employer in the state named in Item 2 of the Schedule. Part One (Workers Compensation Insurance) and Part Two (Employers Liability Insurance) will apply as though the alternate employer is insured. If an entry is shown in Item 3 of the Schedule the insurance afforded by this endorsement applies only to work you perform under the contract or at the project named in the Schedule.

Under Part One (Workers Compensation Insurance) we will reimburse the alternate employer for the benefits required by the workers compensation law if we are not permitted to pay the benefits directly to the persons entitled to them.

The insurance afforded by this endorsement is not intended to satisfy the alternate employer's duty to secure its obligations under the workers compensation law. We will not file evidence of this insurance on behalf of the alternate employer with any government agency.

We will not ask any other insurer of the alternate employer to share with us a loss covered by this endorsement.

Premium will be charged for your employees while in the course of special or temporary employment by the alternate employer.

The policy may be canceled according to its terms without sending notice to the alternate employer.

Part Four (Your Duties If Injury Occurs) applies to you and the alternate employer. The alternate employer will recognize our right to defend under Parts One and Two and our right to inspect under Part Six.

Schedule

1. **Alternate Employer** **Address**
2. **State of Special or Temporary Employment**
3. **Contract or Project**

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Policy No.

Endorsement No.
Premium

Insurance Company

Countersigned by _____
