

WORKERS' COMPENSATION INSURANCE FOR CHILD CARE PROGRAMS

State Law requires that you provide Workers' Compensation benefits for all salaried or contracted employees regardless of the number of hours that they work for you. Therefore, the moment that you remit pay to an individual for services rendered you must purchase a Workers' Compensation policy for them.

Workers' Compensation and Employers' Liability protection provides for:

Coverage A: All Workers' Compensation benefits that are statutorily imposed by the state

Coverage B: Employers' Liability limits of \$100,000 each accident; \$500,000 disease policy limit and \$100,000 disease limit each employee. This coverage applies to the occasional situations where the injury or sickness is not covered by law and the employer may be subject to law suits. Higher limits are available

The Workers' Compensation policy includes payments for all medical bills, reimbursement for lost wages, temporary and long term disability to a maximum established by law and also death benefits including burial expenses. The injury or illness must arise out of and in the course of employment.

The premium is based on your annualized gross payroll for each of the following job classifications:

Childcare/Schools: "Professional, Clerical Employees." The employees under this classification are reserved for teachers, teacher's aides, administrators, clerical employees and salespersons only.

Childcare/Schools: "All other Employees and Drivers." Employees who perform duties that involve cleaning, maintenance, cooking, driving or anything not mentioned in the "professional" classification will be assigned to this classification. If an individual has combined teaching duties and driving/cooking duties then their *total* payroll will be assigned to this "all other" classification regardless how often other duties are performed.

You will need to determine the estimated amount of annual gross payroll for each classification to arrive at your premium cost. Workers' Compensation policies are subject to a minimum premium and to an audit of your payroll records at the end of each policy term.

You will also need to indicate if your business is a sole proprietorship, a limited liability corporation or corporation. You must refer to the laws in your state to determine how and when coverage can be provided for owners, LLC members or officers of a corporation or a non-profit corporation. To obtain detailed premium information regarding your specific needs, please complete and return the enclosed questionnaire.



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