

Insuring Your Household Help

If you hire household help, make sure to get the appropriate insurance coverage.

Contracting with an outside firm

If you need a nurse, physical therapist, cook or other professional to work in your home, you may decide to contract with a business that provides these types of workers.

1. Determine if the person is your employee or the employee of the firm you hired. In most cases, the worker will be the "employee" of the organization.
2. Ask the firm for a copy of its certificates of insurance. This provides documentation that the firm provides workers compensation insurance for its employees. If the firm also offers health and disability insurance, you can feel comfortable that any worker injured on your property will receive medical treatment.

Occasional workers

If you occasionally hire a baby-sitter to take care of your children or a young person in your neighborhood to rake leaves or clean the garage, you should talk to your insurance professional.

1. Find out how much liability coverage you have in your homeowners or renters policy and determine whether it is adequate. Generally, most policies start at \$1 million worth of coverage.
2. Consider getting more liability insurance. You may elect to raise the amount or buy more coverage through an umbrella liability policy. This would provide broader coverage and a minimum of \$1 million of liability insurance.
3. Learn about the no-fault medical coverage you have in your homeowners policy. If someone, other than an immediate family member, is injured on your property, you can submit their medical bills directly to your insurance company for reimbursement. Most people buy \$1,000 worth of this coverage. You may consider raising the amount to \$2,500 or \$5,000.

Permanent full or part-time employees

If you hire someone to work in your home on a permanent, regularly-scheduled basis, you should consider purchasing a workers compensation policy for this person. This provides coverage for medical care and physical rehabilitation for an employee who is injured on the job and for lost wages if the employee is severely hurt and no longer able to work. It also provides death benefits.

1. Call your [state department of insurance](#) for the name and telephone number of the agency that administers workers compensation in your state.
2. Find out if your state requires employers to provide workers compensation for "domestic" employees.
3. Determine what the requirements are for this coverage to be mandatory. For instance, some states may require an employer who hires a certain number of employees to buy workers compensation. In

other states, the determination might be based on the number of hours an employee would work.

4. If you're required under state laws to buy workers compensation insurance and you fail to do so, your homeowners insurance policy will not pay for any fines, court awards or any other penalties against you.

Auto insurance

If the person working for you is going to drive your car to pick up groceries or take an aging parent to the doctor, make sure that your insurance company knows about the additional driver.

Source: *Insurance Information Institute, Inc. (www.iii.org)*