Risk Coverage Hub • Field Quick Card

Four-State Fund Quick Card: North Dakota, Ohio, Washington, Wyoming

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Update history: riskcoveragehub.com

THE FUNDAMENTAL MONOPOLISTIC RULE

Private workers' compensation insurance does not exist in North Dakota, Ohio, Washington, and Wyoming. You cannot shop carriers, attach an NCCI endorsement, or rely on standard "other-states" policy language. The state operates the exclusive fund. Employers must open a dedicated fund account before crew mobilization, report wages or hours per state rules, and purchase private **stop-gap employer's liability** separately because state funds typically omit Part Two.

State & Agency	Coverage Triggers & Mandate	Reporting Basis & Schedule	Subcontractor Proof	Noncompliance Risk
North Dakota Workforce Safety & Insurance (WSI)	Mandatory if: (1) hire in ND for ND work, (2) pay **≥25% of worker annual wages** in ND, or (3) **≥25% company gross payroll** earned in ND. Out-of-state certs do not transfer.	Quarterly payroll reported via **myWSI** portal. Due **30 days** post-quarter. New accounts billed on estimated payroll, reconciled to actual. Split construction by operation or default to highest class.	Must collect **WSI Certificate of Payment** or **Verification of Nonemployment**. Private ACORD forms invalid.	HIGH Full claim costs, noncompliance premium, penalties, and statutory interest.
Ohio Bureau of Workers' Compensation (BWC)	Mandatory for employees hired to work in Ohio and all Ohio residents from Day 1. Out-of-state crew: home extraterritorial applies up to **90 consecutive days**; at Day 91, BWC takes jurisdiction.	Annual policy year starts **July 1** with estimated premium. Mandatory annual true-up of actual payroll due **August 31**. Payroll growth owes premium; drop yields credit.	Must collect active **BWC Certificate of Coverage**. Prime liable for sub claims and back-premiums if sub lapses.	SEVERE Loss of group-rating tier, coverage lapse, interest, and inherited sub debt.
Washington Dept. of Labor & Industries (L&I)	Mandatory "Industrial Insurance" for all non-exempt workers. Out-of-state contractors need **L&I contractor registration + UBI**. Reciprocal agreements strictly exclude construction, plumbing, and electrical.	**Hours-based premium** (not payroll!). Report actual hours by risk class. Overtime is 1:1 (hour-for-hour). *Exclude* vacation, sick, holiday. Zero-hour reports mandatory when idle.	Must verify sub has L&I account in **good standing** and passes multi-part independent contractor test.	CRITICAL Uninsured claim assessed at **50% to 100%** of claim cost, plus back-premiums & fines.
Wyoming Workers' Compensation Division	Mandatory for all **extra-hazardous occupations** (construction, excavation, roofing, field trades). Elective for non-hazardous, but all active businesses must register.	Monthly/quarterly payroll reporting following issuance of **Statement of Coverage**. Requires Joint Business Registration and Out-of-State Employer Questionnaire.	Must secure Division **Statement of Coverage** prior to mobilizing onto project site.	SEVERE Premium deposit/surety required. Default **1.00 mod** assigned without home history.

Washington Composite Rate Stacking

L&I Rate Notice

Washington bills an hourly composite rate stacking four distinct funds:

- **Accident Fund:** Employer-paid; funds disability and indemnity benefits.
- **Medical Aid Fund:** Shared; employer may deduct up to **50%** from worker pay.
- **Stay at Work Fund:** Shared; employer may deduct up to **50%** from worker pay.
- **Supplemental Pension Fund:** Shared; employer may deduct up to **50%**.

Rule: Rate notice specifies max deduction per hour. Employer remains liable for 100% of billed premium.

Contractor Registration & Reciprocal Doors

Out-of-State Gate

Key compliance distinctions across the four jurisdictions:

- **WA Reciprocals:** ID, MT, NV, ND, OR, SD, UT, WY permit non-construction visits if certificate filed. MT & NV *exclude construction*. Any work requiring WA contractor registration must report to L&I.
- **ND Split Class Rule:** You must maintain segregated time-cards by operation, or WSI assigns the *highest risk class* to the entire payroll.
- **Self-Insurance Exception:** OH and WA permit large certified employers to self-insure. ND and WY do not. Self-insurance is never a private policy.

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Stop-Gap Employer's Liability Gap & Pre-Mobilization Verification

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THE EMPLOYER'S LIABILITY TRAP (PART ONE VS PART TWO)

Standard NCCI workers' compensation policies have two parts: **Part One (Statutory Workers' Comp)** and **Part Two (Employer's Liability)**. Monopolistic state funds supply only the Part One statutory benefit. **They typically omit Part Two entirely.** Without private stop-gap coverage, an employer has zero defense or indemnity against common-law lawsuits arising from job injuries.

Litigation Exposure	How the Lawsuit Arises on Site	State Fund vs Stop-Gap Response
Third-Party-Over Actions (Contractual Indemnity)	Injured worker collects state fund statutory benefits, then sues the project owner or general contractor for negligence. Owner/GC files third-party cross-claim against the subcontractor based on indemnity clauses in the trade contract.	**State Fund:** Denies defense; fund covers only no-fault statutory benefits. **Stop-Gap:** Defends and indemnifies the employer against the third-party indemnity claim up to policy limits.
Dual-Capacity Claims	Worker sues employer outside exclusive remedy, alleging the employer acted in a second capacity (e.g., as equipment manufacturer, tool modifier, or site premises owner) that caused injury.	**State Fund:** Exclusive remedy defense only; provides no civil defense or tort indemnity. **Stop-Gap:** Provides legal defense and settlement coverage for tort actions.
Consequential Bodily Injury (Family Consortium Claims)	Spouse, children, or dependents sue employer for independent bodily injury or loss of consortium resulting from the catastrophic injury or toxic exposure of the employee.	**State Fund:** Excluded; state funds cover only the direct injured worker. **Stop-Gap:** Covers consequential bodily injury claims brought by family members.

How to Endorse Stop-Gap Coverage

Policy Structuring

Stop-gap employer's liability must be purchased from private insurers:

- **Option A (Multi-State Operators):** Endorse Stop-Gap onto your standard workers' comp policy covering competitive states. Check Item 3.A and 3.C exclusions; ensure ND, OH, WA, and WY are scheduled under the Stop-Gap endorsement.
- **Option B (Monopolistic-Only Operators):** Endorse Stop-Gap onto your Commercial General Liability (CGL) policy. A standard Business Owners Policy (BOP) is *not* workers' comp and will not cover this.
- **Limits Review:** Match CGL limits ($1M/$1M/$1M minimum). In high-verdict jurisdictions, evaluate umbrella/excess following form.

Washington Retro & Stay at Work

Incentive Mechanics

Washington State Fund offers two unique loss-control rungs:

- **Retrospective Rating (Retro):** Voluntary program recalculating annual cost against actual losses. Low losses yield refunds; high losses trigger assessments. Join association groups (AGC, ABC, BIAW ROII, GRIP, SMART). Note: similar accounts must enroll together; auto-reenrolls unless written withdrawal.
- **Stay at Work:** Reimburses **50% of basic gross wages** for up to 120 days (plus capped tools, training, and clothing) when employer offers provider-approved transitional light-duty. Protects retro refund and experience factor.

Pre-Mobilization Checklist for Out-of-State Contractors

• **ND:** Open myWSI account before work; obtain Certificate of Payment.
• **OH:** Pay estimated premium before July 1; schedule Aug 31 true-up.
• **WA:** Obtain L&I contractor registration, UBI, and Workers' Comp Rate Notice.
• **WY:** Submit Joint Registration + Questionnaire; secure Statement of Coverage.
• **Stop-Gap Check:** Confirm ND, OH, WA, WY scheduled on WC or CGL endorsement.
• **Sub Audit:** Collect state-fund certs from every trade sub before site entry.
• **Hours Tracking:** Isolate WA straight vs OT hours; exclude vacation/sick/holidays.
• **Zero Reports:** File zero payroll/hour returns during idle periods to prevent default.