

Other States Coverage

Auto Dealers

Any time an employee leaves Ohio, there is a risk that coverage through BWC is not sufficient. BWC cannot respond to a claim filed in another state. In addition, each state has its own coverage requirements. Some states require Ohio employers to obtain workers' compensation coverage (other than BWC's coverage) for any work performed there, regardless of how brief.

See [Reciprocal Exemption Statutes](#) for more information on state-specific rules.

Ohio auto dealers may face coverage gaps if they send employees out of state to deliver or pick up vehicles, drive parts to another dealership or attend trainings or conferences.

BWC's Other States Coverage offering can provide workers' compensation coverage outside the state of Ohio to protect you from potential coverage gaps.

Auto dealers payroll allocation procedures

Auto dealers who have an Ohio State Insurance Fund policy and BWC's Other States Coverage policy may ask how to allocate payroll for coverage outside Ohio. This document explains the procedures for payroll reporting.

Definitions

State of residence is the state used by the employee for filing federal income taxes.

"If any" policy is a minimum premium policy for Other States Coverage with all payroll reported to Ohio. Only written for out-of-state exposures with limited or unknown exposure.

Auto dealerships located in Ohio

If the Ohio employer has an auto dealership located in Ohio and has employees reporting to that location, the employer reports all payroll for those employees to Ohio. The State Insurance Fund policy will provide coverage for those employees, regardless their state of residence. An "if any" policy would provide coverage exposures outside the state of Ohio.

For example, Fred's residence is Parkersburg, W. Va., and he reports to ACME auto dealership in Marietta, Ohio. In this case, ACME reports Fred's payroll to Ohio.

Auto dealership located outside Ohio

If the Ohio employer has an auto dealership location outside Ohio, the employer reports all payroll for employees who report to that location to the state of that dealership location. The Other States Coverage policy will provide coverage.

For example, Tammy's residence is in Cincinnati, and she reports to ACME auto dealership in Covington, Ky. Therefore, ACME reports Tammy's payroll to Kentucky.

Employee not reporting to a physical location – employee is Ohio resident

If the Ohio employer has an employee who does not report to a physical auto dealership for employment, the employer would assign the payroll to the employee's state of residence.

For example, ACME auto dealership employs Kevin, who is a resident of Toledo and works out of his home. In this case, ACME reports Kevin's payroll to Ohio. An "if any" policy would provide coverage exposures outside the state of Ohio.

Employee not reporting to a physical location – employee is not Ohio resident

If the Ohio employer has an employee working remotely outside Ohio, the employer would assign payroll to the employee's state of residence.

For example, ACME auto dealership employs Sarah, who is a resident of Pittsburgh and works from home. Under this scenario, ACME reports Sarah's payroll to Pennsylvania.

Claims filings

If an individual files a claim in a state where an "if any" policy exists, a percentage of the employee's payroll — for a period of one year — will be assigned to the state where the injury occurred. Any assigned payroll to the Other State Coverage policy can be removed from the BWC policy, so that double payment would not occur.

Subcontractors

In general, if an Ohio employer uses subcontractors in his or her business operations, he or she must provide proof that the subcontractor has coverage or a valid exemption. If the company cannot furnish a certificate of coverage or a certificate of exemption, the employer may have to include the subcontractors' payroll in their Other States Coverage Policy.

Insuring related auto dealerships under one policy

Occasionally, an auto dealership may have separate but related business entities where it would like to secure workers compensation coverage. BWC can add several business entities to one policy. To do this, submit ownership information affirming the businesses are commonly owned. Contact the Other States Coverage unit for more information on insuring related business entities.

For more information on Other State Coverage for auto dealerships, please email bwcotherstatescoverage@bwc.state.oh.us or call 614-728-0535.



Other States Coverage

Payroll Allocation Matrix for Auto Dealerships

