



## The Liabilities of Letting Employees Work From Home

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Allowing employees to work from home has definite perks for the small business owner, including promoting a satisfied workforce and cutting down on office space expenses. Amid all of the telecommuting fanfare, however, there are still potential liabilities to consider when you have [home-based](#) employees.

Work-from-home employees may expose your company to risks not currently covered by your [small business insurance](#) policy. Before you [give employees the green light to forge their own paths in a home office](#), familiarize yourself with your responsibilities as a telecommuting boss.

### What If an Employee Is Injured While Working from Home?

Accidents happen during work, and they can just as easily occur in the home. According to the [Occupational Safety and Health Administration \(OSHA\)](#), small business owners are responsible for providing employees with safe work environments. All home-based workers have the same [workers' compensation benefits](#) as in-office employees. Cases regarding workers' compensation have shown that the law tends to see the home office no differently from the office building or store front. For instance, in the 2011 case of [Sandberg vs. J.C. Penney](#), the court eventually decided in the favor of an employee who tripped on her dog while retrieving fabric samples from her garage. She ended up receiving workers' compensation because it was determined that she was in the process of working for her employer at the time she sustained the injury.

### What If a Customer Visiting a Home Office Is Injured?

If anyone else besides your employee is injured in a home office, you still may be held liable. This may also apply if property owned by others is damaged in the home office setting. For instance, if a client comes to your employee's home office and trips and drops his high-end camera, you may be held liable for its replacement. For these reasons, it's important to have public liability insurance. Check with your insurance carrier to verify that such coverage applies to home offices.

### Who is Responsible If a Telecommuting Employee Damages Property or Equipment?

Your small business insurance should cover general property owned by your company, such as cellphones, tablets and laptop computers, no matter where they are used. If work-related damage occurs to the employee's home, however, your policy may not

cover the loss, as most insurance plans are restricted to a particular place of business. Before such cases arise, it is imperative that employees check their homeowner's insurance coverage regarding working from home.

### **Steps to Protect Your Work-from-Home Employees and Business**

- 1. Ensure that employees' homes are safe for business.** Before they begin working from home, require that employees comply with the health and safety policies of your business. Have your employees fill out a working-from-home safety survey, or do an inspection yourself. Check that furnishings and equipment are ergonomically designed and situated so that the employees can work safely, and see that lighting and ventilation is sufficient. Also be on the [lookout for hazards](#), such as exposed extension cords, and ensure the residence has sufficient fire extinguishers and smoke detectors.
- 2. Once you've inspected the office space, take a photo for your records.** Every 6 months, recheck the work environment to ensure that the employee continues to comply with the requirements.
- 3. Designate a dedicated work area.** If possible, relegate the employee to a specific room or area of the home for working. Doing this helps minimize the likelihood of injury claims, as well as encourages [the employee to set boundaries at home](#) that will motivate them to remain productive.
- 4. Ensure their homeowner's policy is up-to-date.** Require employees to check their homeowner's insurance coverage to ensure that their homes and property will be covered in case of damage during working hours. Have them supply you with documentation regarding this and keep it on file.
- 5. Focus on cyber security.** Ensure that all employee devices (laptops, tablets and desktops) are fully protected from intrusion. Have an IT professional set up a secure connection from the employee's home to your company network. Connections with weak or no security leave your company open to hacking, which can put your entire business (and possibly that of your customers') at risk. Also insist that only employees use the company's equipment.
- 6. Stay in direct contact.** Unless you check in with offsite employees regularly, you won't know if they are having difficulties. Stressed workers tend to be less productive and can be prone to accidents. Make sure you have the [right telecommuting tech tools](#) in place to communicate and collaborate with your work from home employees. Check in daily and consider setting up weekly or biweekly video calls. This will enable you to see them in their home work environment. Monitoring their progress will also help you determine if [an employee would be better off returning to the onsite office environment](#).

**7. Review your insurance.** Speak with your insurance company about having employees work from home to make sure that you are adequately covered in this area. Insurance specialists may advise that you obtain management liability insurance. Such insurance would cover the legal expenses that might arise from having work-from-home employees.

**8. Create a telecommuting policy.** Clear guidelines regarding working from home help prevent misunderstandings and protect you in the event that something goes wrong with a home office situation. In the guidelines, detail what is required of your work-from-home employees, including specific work hours, [taking regular breaks](#) and adhering to safety procedures. Also include employee rights—such as the fact that they are covered by workers' compensation laws. Have telecommuting employees [sign the document](#), which should also stipulate the specific details of the work-from-home agreement between them and the company, and keep it on file.

**9. Communicate that telecommuting is a privilege.** Let employees know that you are allowing them to work from home as an employment perk. Make it clear that you have the right to rescind their work-from-home privileges at any time and for any reason, such as if their home fails to meet the specified safety requirements or if their work performance suffers.

Offering employees the freedom to work from the comfort of home can enhance productivity and make your company a desirable place in which to work. Understand your responsibilities as an employer of offsite employees and protect them and yourself from the liabilities inherent in working from home. This way your company is sure to reap the benefits of the burgeoning telecommuting movement.