

# Working From Home

## Legal and Insurance Considerations

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The historic pandemic of 2020 brought about a significant and abrupt change in how people work and conduct business. Working from home suddenly became the new normal for millions, impacting their insurance and legal exposures. Helping clients understand the implications of working from home, both as an employer and an employee, is another value-added service of the professional insurance agent.

Even before the pandemic, working from home had become increasingly more common. A 2018 survey by IMG, a Swiss workspace company, estimated that 70% of professionals worked from home (telecommuted) at least one day per week. More than half (53%) did so multiple days per week ([www.cnbc.com](http://www.cnbc.com)). A Stanford survey found that nearly twice as many workers in the United States worked from home during the pandemic lockdown versus those who still went into work: 42% versus 26%. The remaining 33% of the workforce was out of work ([www.stanford.edu](http://www.stanford.edu)). While it is still too early to be sure, one forecast estimates that by the end of 2021, 25-30% of the workforce will work from home multiple days per week ([globalworkplaceanalytics.com](http://globalworkplaceanalytics.com)).

Standard personal lines policies offer limited coverage for business exposures. Personal equipment owned by the employee and used for business may or may not be covered under the homeowners. For example, coverage may be limited to a certain dollar amount and on the residence premises only. Typically, employer-owned business equipment that is used at home, such as laptops and cell phones, would be covered under the

employer's commercial insurance policy. However, the coverage may not extend to such property being used at locations other than the employee's home. A careful review of the policies carried by both the employee and employer is essential.

Liability for injuries sustained at the employee's home by business-related guests would not be covered under the homeowners policy. Work-related injuries sustained by employees while working from home would be covered under workers' compensation.

At minimum, any business whose employees work remotely should have a company policy outlining work from home parameters and cybersecurity requirements. The work from home policy should include guidelines on who is eligible to work from home and what is expected of them. Specific work hours, taking regular breaks and following safety protocols are essential components of the work from home policy. If employees are required to record the time worked, they must have a system to do so.

Cybersecurity measures include providing secure equipment to employees for business use, and encrypting and restricting access to data. Employee training to recognize possible e-mail scams is also essential. There should be a clear process to report any cyber breach incidents. Access to company networks and outside video conferencing should be password-protected.

Work from home policies must be fair and nondiscriminatory. Employees



not eligible to work from home need a clear understanding of the reason why. If working from home is only allowed due to crisis situations such as COVID, this needs to be adequately addressed and communicated to employees. Employers have the right to restrict where employees work remotely, such as other locations that might pose a higher risk of exposure. They can forbid employees who are sick from returning to the workplace, or suggest that employees who have traveled to high risk areas self-quarantine at home upon returning.

Working from home is here to stay. While initially this can pose a challenge, many companies have made the transition successfully, and may not be going back to working at the office. Assisting clients in addressing their coverage needs is another sign of the true insurance professional.

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