



# Liability Checklist: Hiring Domestic Workers

Before hiring a domestic worker in your home, such as a nanny, housekeeper or personal security contractor, it is important to fully consider the legal responsibilities, potential liability and financial risks, as well as insurance ramifications. Whether the domestic worker role is temporary or long term, the employment contract must conform to federal and state labor and tax laws. Consulting a tax attorney is highly recommended.

In addition, there are significant liability risks to consider. For example, if the domestic employee is injured by faulty equipment while on duty, the employer can be sued for negligence and be required to pay medical costs. Potential employment-related claims like discrimination, wrongful termination, and sexual harassment also need to be considered. Consult a personal risk insurance expert on these matters.

Following is a checklist, compiled by USI's personal risk specialists, that provides additional guidelines on how to engage domestic workers and minimize potentials risks.

Recruiting Process	Managing the Workplace	Termination/End of Employment
<ul style="list-style-type: none"> <li>Consult an attorney, accountant, insurance agent for advice on legal, tax and insurance requirements</li> <li>Determine whether to conduct search directly or through an employment agency</li> <li>Conduct due diligence on agency or any vendor before sharing personal information</li> </ul> <p><b>Candidate Search</b></p> <ul style="list-style-type: none"> <li>If agency is used, request evidence of insurance, i.e., workers' comp, disability, and general liability</li> <li>Review agency's vetting process, confidentiality agreement, employment contract, handbook</li> <li>If hiring directly, request a referral</li> <li>Conduct background investigation on all candidates</li> </ul> <p><b>Interviewing</b></p> <ul style="list-style-type: none"> <li>Have candidates fill out a job application</li> <li>Review resume and references</li> <li>Request proof of work authorization</li> </ul> <p><b>Hiring</b></p> <ul style="list-style-type: none"> <li>Create employment contract outlining wages, hours, duties, etc.</li> <li>Have the candidates sign confidentiality agreement (NDA)</li> </ul>	<ul style="list-style-type: none"> <li>Obtain insurance as required by state. e.g., workers' compensation and disability coverages</li> <li>Obtain employment practices liability coverage to protect against wrongful termination and sexual harassment claims</li> <li>If employee uses personal vehicle for work-related services, obtain proof of automobile and umbrella coverage annually</li> <li>If employee uses employer's vehicle, add employee to auto and umbrella policies</li> <li>Restrict use of cell phones during working hours</li> <li>Prohibit employee from taking photos of home or children</li> <li>Create a separate password to Wi-Fi, alarm systems, other devices where personal data is stored</li> <li>Secure personal records and valuables in a safe</li> <li>Take pictures of all valuables within the home, e.g., artwork</li> <li>If employee is provided credit card for family expenditures, review bill/charges each month</li> </ul>	<ul style="list-style-type: none"> <li>Follow terms of employment contract when planning termination</li> <li>Include another party during the meeting to terminate</li> <li>Collect keys to premises, cars from employee</li> <li>Change passwords to Wi-Fi and alarm systems</li> <li>Provide employee copy of NDA</li> <li>If employee was responsible for pickup and drop-off children, notify authorities at school, daycare, and afterschool activities</li> <li>Discuss the situation with children</li> </ul> <p><i>This checklist provides basic practical steps that can be taken to protect yourself, family and personal property when deciding to hire a domestic worker. It is not intended to be an exhaustive list. For personalized assistance contact your local USI personal risk specialist.</i></p>

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