

TEXAS WORKFORCE COMMISSION LETTER

ID/No: WD 19-01

Date: May 30, 2001

Key Word: WIA

To: Local Workforce Development Board Executive Directors
Agency Executive Staff
LWDA Coordinators
Agency Local Offices

From: Barbara Cigainero, Director of Workforce Development

Subject: Requirement to Provide Insurance Covering Workforce Investment Act Participants

PURPOSE:

To provide guidance to Local Workforce Development Boards (Boards) on the Workforce Investment Act, 29 U.S.C. §2801 et seq., (WIA) requirements regarding the provision of insurance covering WIA participants.

REFERENCE:

Workforce Investment Act, Title I
Workforce Investment Act, Final Rule (§667.274)
WD Letter 93-98, issued July 21, 1998 and entitled "Procurement of Leased Office Space and Insurance Providers"

BACKGROUND:

Work experience can be considered an allowable training service or activity for WIA participants. WIA §129 requires that funds allocated to a local workforce development area (workforce area) for youth activities be used to carry out programs that include paid and unpaid work experiences, including internships and job shadowing. WIA §134 provides that employment and training services for adults and dislocated workers may include on-the-job training and programs that combine workplace training with related instruction.

To the extent that the State workers' compensation law applies, workers' compensation must be provided to participants in programs and activities under Title I of WIA on the same basis as the compensation is provided to other individuals in the State in similar employment. If the workers' compensation law applies to a participant in work experience, workers' compensation benefits must be available for injuries suffered by the participant in such work experience. If the workers' compensation law does not apply to a participant in work experience,

insurance coverage must be secured for injuries suffered by the participant in the course of such work experience. Recipients and service providers must ensure that all WIA participants engaged in work experience are provided with appropriate insurance coverage.

Additional bonding and insurance requirements are discussed in Chapter Four of the Texas Workforce Commission Financial Manual for Grants and Contracts. Boards may adopt insurance requirements in addition to those required by law, regulation, and Texas Workforce Commission (Agency) contract if:

- those requirements are necessary for the effective administration of the workforce system,
- the costs are reasonable and necessary; and
- the categories of coverage are not specifically disallowed by applicable law, regulation, OMB circular, or Agency guidance.

Special concerns involved in the procurement of insurance coverage are discussed in WD Letter 93-98. When procuring insurance coverage, Boards and their subcontractors must ensure that the insurance policy purchased does provide the specific coverage required.

ACTIONS REQUIRED:

Boards must ensure that they and their contractors comply with the workers' compensation and insurance requirements of WIA.

INQUIRIES:

Inquiries on this WD Letter may be directed to Jerry Hill at (512) 463-8812 or via e-mail to Jerry.Hill@twc.state.tx.us.

Rescissions: None	Expiration: Continuing
-------------------	------------------------