

ACE PRIVATE RISK SERVICES

SEVEN STEPS TO MANAGING THE RISKS INVOLVED WITH EMPLOYING DOMESTIC STAFF

Domestic employees such as nannies, drivers, housekeepers, and cooks often play a critical role in facilitating the busy lifestyle and careers of financially successful families. But inviting someone into your home also raises a host of risks and potential liabilities.

Families can be held responsible for injuries the employees sustain or inflict while on the job. Disputes can result in lawsuits claiming sexual harassment, discrimination, or wrongful termination. Helpers may use their access to your home and family members to misuse personal information or steal valuable items. The worst cases can involve molestation and kidnapping. Here are seven steps to help minimize these risks.

1. Check references.

Do not simply trust a recommendation from a friend, a good feeling during the interview, and the existence of references as evidence that the candidate will do a good job. Talk to the references, and be aware that some may hesitate to volunteer issues for fear of litigation by the candidate. Ask for a complete work history and permission to call former employers who may not have been initially offered as references.

2. Consider a surprise visit to the candidate's home.

Dropping in unannounced can reveal much about the candidate. Families who are hiring someone to come into their home and potentially care for their children unsupervised should know how the candidate treats their own home.

3. Don't assume a hiring service has done a strong background check.

While employment services can certainly make the process of finding help easier, they are not necessarily the last word in verifying the candidate's background. Many may only check a few of the databases that a professional background screening firm would.

4. Have a professional background check done on the final candidates.

After narrowing down the list of candidates to two or three, insist on having a background check conducted by a professional screening firm. At a minimum, these screens should include an in-depth criminal record search, reference verification, credit checks, and motor vehicle record checks. ACE provides its clients with access to professional background screening services on a complimentary or reduced-fee basis, depending on the annual premium.

5. Have employee backgrounds professionally re-checked at least every two years.

People's lives change. They can run into financial trouble, succumb to substance abuse, or fall into a bad relationship that might increase the temptation to misuse the access they have to the family and home.

6. Have a clear employment contract in place and conduct periodic performance reviews.

Domestic employees usually have many of the same rights that business employees do, which can vary widely by state. Families need to make sure they understand those rights. They should have a written contract with the employee that outlines job responsibilities, payment terms, time requirements, dispute processes, and causes for termination. They should also establish a regular performance review process to address any issues that arise.

7. Secure adequate insurance, and recognize that not all policies are alike.

Proper insurance usually requires a combination of worker's compensation to guard against worker injuries, umbrella liability to guard against bodily injury or property damage the employee may cause to others while on the job, and employment practices liability (EPL) to guard against lawsuits involving discrimination and other wrongful employment practices. The best umbrella and EPL policies will include coverage to help restore a damaged reputation and have a private lawyer shadow the defense mounted by the insurance company.



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