

WORKERS' COMPENSATION INSURANCE

The **Workers' Compensation Policy** consists of two coverage sections:

- Workers Compensation
- Employers Liability

WORKERS' COMPENSATION

Provides coverage for medical care, lost wages, death benefits, disability and rehabilitation benefits for workers who are injured on the job. The amount paid to an injured employee is determined by the Workers' Compensation board in each state, taking into consideration the employee's weekly salary and the severity of the injury. Workers' Compensation also covers injuries that happen at work as a result of workplace violence, terrorism and natural disasters. Coverage requirements and availability varies by state.

CLAIM EXAMPLES

- *A bank teller cuts his finger while on the job and requires stitches. Afterwards, he develops a staph infection which requires hospitalizations.*
- *An employee sustains an injury in a car accident while driving for work purposes.*

EMPLOYERS LIABILITY

Protects the employer if a worker is not covered by Workers' Compensation or if they decide to sue the employer.

The employee must show the injury occurred while performing his/her job duties, and that it would not have occurred "but for" the employer's negligence:

- Bodily Injury by Accident—Each Accident
- Bodily Injury by Disease—Each Employee
- Bodily Injury by Disease—Policy Limit

Typical limits are \$500,000 or \$1,000,000 for each.

CLAIM EXAMPLES

- **Wrongful Death** | *The family of a deceased worker may file a common-law claim seeking damages in addition to the death benefit paid by Workers Compensation.*
- **Third-party Liability** | *If an employee is injured while using equipment that malfunctioned, he or she may file a products liability suit against the manufacturer of the equipment. The manufacturer may in turn sue the employee to recover damages. Depending on the specifics of the claim, either the Employers Liability or General Liability policy may provide coverage.*
- **Loss of Consortium** | *The spouse of an injured worker may sue for loss of consortium, which means the spouse has lost the services (marital relations or the ability to do household chores) of his or her spouse. Damages can be awarded even if the spouse is receiving disability payments.*
- **Consequential Bodily Injury** | *A family member may file a lawsuit for his or her own injury (such as a heart attack) that was caused by learning about or dealing with the injured employee.*