


# Workers' Compensation Basics



WORK SAFE, TEXAS™

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## Workers' Compensation Basics

### Agenda

- 1 Coverage Comparisons
- 2 Parts of a Workers' Compensation Policy
- 3 Workers' Compensation Rating

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## Coverage Comparisons



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**Going Bare**

- Employer responsible
- No planned benefits for worker or family members
- Employer subject to large loss

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**Occupational/Accident**

- Policies are not uniform
- Employer chooses limits
- Coverage for single occurrence and aggregate
  - Indemnity limit
  - Medical limit

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### Workers' Compensation



- Medical coverage
- Income benefits
- No-fault coverage

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### Self-Insured



- Employer files with state
- Employer pays benefits under workers' compensation law
- Third party administrator handles claims

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### Components of a Workers' Compensation Policy



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## Workers' Compensation Policy

	<p>Part One: Workers' Compensation</p> <ul style="list-style-type: none"><li>-Medical</li><li>-Indemnity</li></ul> <p>Part Two: Employers Liability</p> <p>Part Three: Other States Coverage</p>
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### Part One: Workers' Compensation

Medical

- Unlimited
- Lifetime

Indemnity

- Income benefits



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### Part Two- Employers Liability

- Liability not covered under workers comp
- Initiated through suit
- Must prove negligence
- Provides defense



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### Part Three- Other States

- Temporary automatic coverage
- States where carrier is licensed



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### Other States- Texas Employees

- Primarily work in Texas
- Temporarily sent to work out of state
- Texas benefits



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### Out of State Coverage

- Workers do not reside in Texas
- Workers were hired outside of Texas
- Texas Mutual/Argonaut paper
- Contact your underwriter for details

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Workers' Compensation Rating



Texas Mutual  
WORKERS' COMPENSATION INSURANCE  
WORK SAFE. TEXAS™

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Workers' Compensation Rating

- Texas rating rules are developed by NCCI but must be approved by Texas Department of Insurance
- Claim payments are Pre-Funded



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WC Rating Terms

Rate

Manual Premium

Premium Discount

Schedule Rating Factor

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**WC Rating Terms**

- Waiver of Subrogation
- Experience Modifier Factor
- Modified Premium
- Deductible Credit

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**WC Rating Terms**

- Employer Liability Limit
- Estimated Annual Premium

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**Recap**

- Coverage options
- Three parts to WC policy



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Questions?



TexasMutual<sup>®</sup>  
WORKERS' COMPENSATION INSURANCE

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**Resources**  
Texas Mutual Insurance  
[www.texasmutual.com](http://www.texasmutual.com)  
Texas Department of Insurance  
[www.tdi.texas.gov/wc/index.html](http://www.tdi.texas.gov/wc/index.html)  
NCCI  
[www.ncci.com](http://www.ncci.com)



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Thank you!!

Stay tuned to our website for more training and education opportunities.

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