The Employer’s Guide to Workers’ Comp
Workers’ Comp: What Is It and Why Do You Need It?

Workers’ compensation is a state-regulated insurance program that protects injured workers and employers in the event of an on-the-job injury. Workers’ comp provides the best protection against the consequences of on-the-job injuries, for you and your employees.

Legal protection for you
Employers who do not carry workers’ compensation coverage bear complete financial responsibility for an employee’s injury or death if the company is found negligent. The total amount they could be responsible for is unlimited. In short, going “bare” could cost them their business.

Section 408.001 of the Texas Labor Code explains that, with only a few exceptions, workers’ comp benefits are the injured employee’s sole source of recovery from an employer who carries valid workers’ comp coverage.

Medical and income benefits for your employees
If one of your employees is injured on the job, your workers’ compensation insurance will:

- Pay all reasonably required medical bills for a work-related injury
- Replace some lost wages and compensate the injured employee for permanent impairment caused by a compensable work-related injury
- Pay benefits based on the employee’s pre-injury income and the severity of the injury
- Pay income benefits to qualifying beneficiaries of an employee who died as the result of a compensable work-related accident and reimburse them for actual burial costs (up to $10,000)
Some employers think that they have found a cheaper substitute for workers’ compensation by purchasing alternative policies. They may not know that alternative policies often leave huge gaps in coverage, limit medical benefits, and refuse to cover some illnesses, diseases and accidents.

**More information**

- **Lower Your Premium**

Workers’ compensation is one of many expenses employers have to consider, but you can make it a smaller piece of your budget by joining a safety group, choosing our workers’ comp health care network option and earning dividends.

**Safety groups**
State law allows employers in similar industries to purchase their workers’ comp coverage as a group. Employers who join a safety group can:

- Take advantage of free workplace safety resources designed specifically for their industry
- Receive a premium discount
- Participate in our group and individual dividend programs*

*Dividends are based on performance and therefore are not guaranteed.*
More information
Texas Mutual offers safety group opportunities for a range of industries, including oil and gas, restaurants, construction, health care and auto repair. Ask your agent for more information or visit texasmutual.com.

Health care network
Helping our policyholders control their workers’ compensation costs is an important part of what we do. One of the ways we put that into action is with our workers’ compensation health care network. Policyholders who enroll in the network receive a 12 percent network discount, and also benefit from improved care, better outcomes and lower claim costs for their injured workers.

More information
Texas Mutual policyholders do not have to wait for their policy to renew to join the network. Speak to your agent or visit texasmutual.com/hcn.
Dividends

The costs of the benefits we pay to injured workers affect the overall cost of workers’ compensation insurance, which is why we reward employers who help us control those costs. A dividend is essentially a monetary reward for policyholders who help us provide affordable workers’ compensation coverage by controlling their claim costs.

▶ Your dividend has the potential to increase every year through your fifth consecutive year with Texas Mutual. You continue to be rewarded for the most recent five years’ experience thereafter. If you leave before your fifth consecutive year, you start over if you return to Texas Mutual.

▶ You can improve your chances of earning a dividend by preventing accidents, committing to a return-to-work process and fighting workers’ comp fraud.

▶ Policyholders have the potential to earn both individual and safety group dividends.*

▶ Newer policyholders have the opportunity to earn early-qualifier dividends. These dividends reward policyholders for safe workplaces before they are eligible to receive a regular dividend.

![Graph showing Individual Policyholder Dividends and Safety Group Dividends Inception to Date (in $ millions)]
More information
For more information about dividends, visit texasmutual.com/ownershippays.

*Dividends are based on performance and therefore are not guaranteed.*

■ Manage Your Claims

Texas Mutual manages your claims by investigating injuries for compensability, helping injured workers get back on the job, and ensuring that medical treatments are reasonable, necessary and related to the compensable injury. You can take a hands-on approach to managing claims by preventing accidents, launching a return-to-work process and fighting fraud.

Prevent accidents
The easiest way to control your claim costs is to prevent accidents. For every dollar you invest in safety, you could get four to six dollars in return.

Launching a safety program can be challenging, but we’re here to help.

Free webinars
Policyholders can attend free safety webinars each month to learn about workplace safety issues, OSHA compliance, safe driving and more. To register, visit the Training and Education tab at texasmutual.com.

Safety professionals
We employ more than 30 safety professionals across the state who average approximately 20 years of experience. They conduct about 8,500 on-site policyholder visits per year, which is more than any other company.
TexasMutual.com
Texas Mutual policyholders have exclusive access to thousands of free safety materials in the Safety Resource Center at texasmutual.com. Policyholders can visit the resource center to:

- Watch online safety videos
- Identify and correct the root causes of workplace accidents
- Get DVDs, videos, brochures and other safety training materials. Many of the materials are also available in Spanish
- Find out how much money accidents cost their business

TexasMutual.com/blog
The Texas Mutual blog is a valuable resource for information about workplace accident trends, practical ideas for creating safe work environments, industry news and much more.

WorkSafeTexas.com
Anyone can visit worksafetexas.com for free workplace safety materials on topics such as ergonomics, distracted driving, teen workers, aging workers and return-to-work programs.

SafeHandTexas.org
Traffic incidents are the leading causes of work-related fatalities. Texas Mutual developed this free site to teach employers and their workers how to stay safe behind the wheel.

TexasOilAndGasSafety.com
This website is dedicated to keeping oil and gas workers safe. The website features safety information and educational resources that oil and gas workers and employers can use to stay safe on the job.
Launch a return-to-work process
An experienced worker is a valuable part of your team. The quicker they recover and return to work, the more you’ll save.

Texas Mutual encourages employers to launch a return-to-work process to reduce the costs of workplace injuries. The goal of the process is to help injured workers recover and return to productive employment as soon as medically reasonable.

What’s in it for you?
▶ Lower claim costs
▶ Control your premium by improving your loss history
▶ Retain experienced workers: the cost of replacing an injured employee can be 50 to 150 percent of the employee’s salary
▶ Reduce the costs of making up for lost production, such as hiring extra help or paying overtime

What’s in it for your employees?
▶ Steer clear of the stress and depression that often come with being unable to work
▶ Retain their job skills, company benefits and seniority
▶ Maintain their pre-injury income: remember, workers’ compensation benefits pay only a portion of the injured employee’s salary
▶ Avoid the disability mindset of “I’m injured, and I cannot work”

More information
Visit texasmutual.com/safety/safety.shtm to download our free Return-to-Work Kit. More information about return to work is available through the Texas Department of Insurance at www.tdi.texas.gov/wc/rtw/.
Fight fraud

Workers’ compensation fraud costs consumers like you $7.2 billion a year. Texas Mutual Insurance Company works hard to protect our policyholders’ premium dollars. Our three teams of experienced, full-time investigators get results, but they need your help.

If you identify two or more of these indicators in a Texas Mutual claim, contact us immediately at (800) 488-4488 or by email at fraudstoppers@texasmutual.com:

- Tip from a credible source
- New or disgruntled worker
- No witness to alleged injury
- Inconsistent or illogical description of incident
- Hard to contact injured worker
- Injured worker acts upset when contacted
- Suspicious injury on Monday or Friday

More information

Visit texasmutual.com/fraud/fightfraud.shtm to read our fraud-fighting success stories, learn more about our FraudStoppers℠ cash reward program and download a free FraudStoppers℠ poster.

If you suspect fraud against an insurance carrier other than Texas Mutual, email the Texas Department of Insurance at fraudunit@tdi.texas.gov, call (888) 327-8818 or visit www.tdi.texas.gov/fraud/onlinereport.html.
■ Find a Pharmacy

We work with numerous pharmacies across the state, but some pharmacies may not accept workers’ compensation claim prescriptions or may only accept cases from a small number of insurance companies.

To help ensure your injured workers get the prescriptions they need for their compensable work-related injuries and to save you money, we partnered with Optum pharmacy account network. To find a network pharmacy near you, go to optum.com, call the Optum help desk at (888) 220-2805, or download the Texas Mutual app for Apple or Android devices.

■ Save Time With Texas Mutual Online

We want to help you spend less time on workers’ compensation and more time focusing on your business. Texas Mutual online services make it easy and convenient for policyholders to:

▶ Submit direct-draft payments
▶ Sign up to receive alerts about significant changes in existing claims
▶ Improve workplace safety
▶ Report workplace injuries
▶ Review claim details
▶ Create loss run reports
▶ File interim payroll reports and make online payments
Submit an Employer’s Wage Statement (Form DWC-3)
Review dividend history
Register for workshops
Download state-required forms
Report suspected fraud
Download our Return-to-Work Kit
Get workers’ comp news and updates

Visit texasmutual.com today to start taking advantage of these free tools.

Learn About Our Scholarship Program

One of our top priorities at Texas Mutual is to reduce the number of work-related injuries, illnesses and fatalities in Texas and minimize their consequences. Still, we know that accidents do occur. In cases of compensable work-related fatalities, we offer college scholarships to qualified, surviving family members of workers.

The Texas Mutual scholarship program provides up to $4,000 for tuition and fees each semester, plus assistance for course-related books and supplies. We hope that each scholarship will serve as part of the employee’s legacy to his or her family and reduce the family’s financial burden.

We also offer scholarships to people whose compensable injuries qualify them for lifetime income benefits, and to their spouses and unmarried children.

For complete scholarship requirements and related procedures, visit the Injured Workers section at texasmutual.com or call (800) 859-5995.
### Speak the Language of Workers’ Comp

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<tr>
<th>Term</th>
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<td>Average weekly wage</td>
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<td>Benefit review conference</td>
<td>BRC</td>
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<tr>
<td>Benefit review officer</td>
<td>BRO</td>
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<tr>
<td>Contested case hearing (also benefit contested case hearing)</td>
<td>CCH</td>
</tr>
<tr>
<td>Contested case hearing officer (also benefit contested case hearing officer)</td>
<td>CCHO</td>
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<tr>
<td>Death benefits</td>
<td>DBs</td>
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<tr>
<td>Division of Workers’ Compensation (also the Division)</td>
<td>DWC</td>
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<tr>
<td>Documentation of procedure</td>
<td>DOP</td>
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<td>Durable medical equipment</td>
<td>DME</td>
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<td>Health care provider</td>
<td>HCP</td>
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<td>Impairment income benefits</td>
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<td>Impairment rating</td>
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<td>Insurance carrier</td>
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<td>Lifetime income benefits</td>
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<td>Maximum medical improvement</td>
<td>MMI</td>
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<td>National Council on Compensation Insurance</td>
<td>NCCI</td>
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<tr>
<td>Term</td>
<td>Abbreviation</td>
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<td>-----------------------------------------------------------</td>
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<tr>
<td>Post-injury earnings (also weekly earnings after the injury)</td>
<td>PIE</td>
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<td>Required medical examination</td>
<td>RME</td>
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<td>Return-to-work program</td>
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<td>Supplemental income benefits</td>
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<tr>
<td>Temporary income benefits</td>
<td>TIBs</td>
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<td>Texas Department of Insurance</td>
<td>TDI</td>
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<tr>
<td>Texas Workers’ Compensation Act</td>
<td>Texas Labor Code, “the Act,” or “the Statute”</td>
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<tr>
<td>Workers’ compensation health care network</td>
<td>HCN</td>
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<tr>
<td>Workers’ Comp Research and Evaluation Group</td>
<td>REG</td>
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Related Sources

Texas Department of Insurance, Division of Workers’ Compensation
(512) 804-4000, (800) 372-7713
Tdi.texas.gov/wc/indexwc.html

Texas Workforce Commission
(800) 832-2829
Twc.texas.gov

Texas Department of Insurance
(512) 463-6169, (800) 578-4677
Tdi.texas.gov

Occupational Safety and Health Administration
(800) 321-6742
Osha.gov

National Council on Compensation Insurance
(800) 622-4123
Ncci.com
About Texas Mutual Insurance Company

Texas Mutual Insurance Company is a policyholder-owned company. We provide coverage to 43 percent of the market, representing over 70,000 companies, many of which are small businesses. Since 1991, the company has provided a stable, competitively priced source of workers’ comp insurance for Texas employers. Helping employers prevent workplace accidents is an important part of Texas Mutual’s mission.

Workers’ comp is all we do and we do it better than anyone else. Businesses across Texas count on us to help them lower their workers’ comp costs and protect their employees on the job. We respond with:

- Competitive rates
- Safety groups
- Dividends for employers who prevent accidents and manage their claims*
- Zero tolerance fraud policy
- Comprehensive safety services
- Timesaving Texas Mutual online tools
- Long-term commitment to Texas employers
- Workers’ comp specialists dedicated to helping you get the most value out of your Texas Mutual coverage

Get more information
Ask your agent for more information about Texas Mutual Insurance Company or visit us online at texasmutual.com.

*Dividends are based on performance and therefore are not guaranteed.
Contact Us

Call us toll-free at (800) 859-5995 from 8 a.m. to 5:30 p.m. Central to speak with a Texas Mutual Insurance Company representative or contact us by email at information@texasmutual.com.