

Workers Compensation Coverage

The workplace is an extremely common place for a person to be injured. The Workers Compensation And Employers Liability Insurance Policy is used to provide insurance coverage for a company's statutory liability (coverage responsibility) under a Workers Compensation Act. It usually involves paying for medical treatment and disability. It also handles lawsuits from injured workers that fall outside of the Acts.

A workers compensation policy responds to accidental injury that occurs during work with mandatory benefits. However, besides taking place at work, an injury must also be related to the injured person's duties. Further, the policy also covers costs associated with disease or death that may be the ultimate result of the accident. If the employee's injury does not qualify for compensation under the Workers Compensation Acts (or Occupational Disease Acts, if separate) the policy will respond to an employee who sues his or her employer, alleging negligence.

The type of business that can be insured with a workers comp policy may be an individual, partnership, joint venture, corporation, association, fiduciary, or other entity. A typical policy lists the locations of the workplaces that are covered. The policy is designed to handle work-related accidents as well as diseases. The amounts that must be paid are defined by the state or jurisdiction where a covered incident occurs. The policy usually lists the other types of costs and expenses that are eligible for payment under the policy.

In other respects, a workers compensation policy is similar to other kinds of insurance. The policy benefits include being provided a legal defense against certain types of lawsuits. The policy explains that, when other sources of loss payment are available, the policy will begin any payment once the other source has paid its obligation. However, the policy will not pay for any amounts that exceed stated benefit amounts. The insurance coverage may be expanded, restricted, or made to comply with specific state requirements through the use of endorsements.

Generally the insurer that provides coverage acquires the covered company's legal right to pursue payment from a party that may have been responsible for a workplace injury.

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