

## **Workers Compensation Coverages**

### **Workers Compensation Insurance**

This coverage agreement obligates the insurer to pay all compensation and other benefits required of the insured by the workers compensation law or occupational disease law of any state listed in the policy. The coverage applies to bodily injury by accident and by disease.

Coverage (A) shows no dollar limit for the benefits provided since any applicable limits would be those established within the law. Benefits under coverage (A) are paid to the employee without regard to fault.

### **Employers Liability**

This coverage protects employers for their legal liability for bodily injury by accident or disease to an employee arising out of and in the course of the employee's employment when not covered under the workers compensation law. Before benefits are paid under this coverage, the employee must prove the employer is liable for the injury.

### **Bodily Injury By Accident**

This amount is the most an insurer will pay under coverage (B) for all claims arising from any one accident, regardless of how many employees are involved in the accident. The standard limit is \$100,000 for any one accident, which can be increased.

### **Bodily Injury By Disease (Policy Limit)**

This is the aggregate limit the insurer will pay under coverage (B) for all claims sustaining bodily injury by disease during the policy period. The standard policy limit is \$500,000, which can be increased.

### **Bodily Injury By Disease (Each Employee)**

This amount is the most an insurer will pay under coverage (B) for damages due to bodily injury by disease to any one employee. The standard limit of liability for each employee is \$100,000, which can be increased.

### **Other States Insurance**

This provides workers compensation coverages if the insured expands operations into other states not declared at the time the policy is issued or renewed. If the insured elects this coverage and operations begin in a state listed under other states, the insurer provides the same coverage as if the state was declared in the policy at the time of policy issuance

### **Voluntary Compensation Endorsement**

Workers compensation laws of most states exempt some types of employment from workers compensation benefits. This endorsement amends the standard policy to provide coverage for employees with exempted occupations from the workers compensation act. When the endorsement is added it does not make employees subject to the workers compensation law, but it obligates the insurance company to pay on behalf of the insured, an amount equal to the compensation benefits that would be payable to those employees if they were subject to the workers compensation law of that state.

**United States Longshore & Harbor Workers Endorsement (USL&HW)**

This is a federal act which is similar to the state workers compensation act. The federal act was designed to provide workers compensation benefits to employees who work in maritime employment upon the navigable waters of the United States and who are usually considered outside the scope of state workers compensation laws. When the USL & HWA endorsement is added to the standard policy it applies to work done in the states scheduled on the policy and extends the definition of the workers compensation law to include the USL & HWCA.

**Executive Officers, Partners Exclusion Endorsement**

In some states, workers compensation law allows an insured to include or exclude Executive Officers and Partners, or both, from coverage. Adding this endorsement can designate the individuals not covered under the policy.

**Experience Modification**

This is a factor that deals with the rating of the policy. The Experience Modification figure is based on the insured's loss experience. The factor is used to increase or decrease the manual rates of insurance.

**Monopolistic States**

There are six states that require all workers compensation insurance to be placed with their state fund. No private insurer is allowed to write Workers Compensation Coverage in the six states. The states are Nevada, North Dakota, Ohio, Washington, Wyoming and West Virginia.