



Workers' Compensation

What is Workers' Compensation?

Employers are legally obligated to take reasonable care to assure that their workplaces are safe. Nevertheless, accidents happen. When they do, workers compensation insurance provides coverage.

In the state of Oklahoma Workers' Compensation insurance is required by law. Workers compensation insurance serves two purposes: It assures that injured workers get medical care and compensation for a portion of the income they lose while they are unable to return to work; and, it protects employers from lawsuits by workers injured while working.

Workers receive benefits regardless of who was at fault in the accident. If a worker is killed while working, workers comp (as it is often abbreviated) provides death benefits for the worker's dependents.

What injuries are covered?

Injuries employees sustain on the workplace premises or anywhere else while the employee is acting in the "course and scope" of employment are covered if their employer has workers comp insurance. For example, the leading cause of workers comp death claims is traffic accidents that occur when the employee is in a vehicle for work purposes, whether the trip is made in the company's car or the employee's own vehicle. Accidents driving to and from work are not covered.

In addition to injuries from accidents, workers comp covers injuries employees may sustain from other events that may occur while they are working, including workplace violence, terrorist attacks and natural disasters.

Workers comp insurance also covers certain illnesses and occupational diseases (defined in the state statutes) contracted as a result of employment. For example, employees who work with toxic chemicals can be made ill by exposure to the chemicals.

What Benefits Do Injured Workers Receive?

Income replacement benefits are based on whether the disability is total or partial and whether it is permanent or temporary. Impairment is generally defined as a reduction in earnings capacity, sometimes using the American Medical Association's criteria.

Most states require that benefits be paid for the duration of the disability, but some specify a maximum number of weeks, particularly for temporary disabilities. The benefit amount is a percentage of the worker's weekly wage (actual or state average).

How Are Premiums Set?

Premiums are based on the employer's industry classification code and payroll. Premiums for the most dangerous enterprises, such as trash hauling or logging, may be much higher than premiums for an accounting firm.