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# What's News In Insurance

## ***In case you ever wanted to know how a Workers' Compensation Policy works . . .***

### **Part One: Workers' Compensation Insurance**

- Applies to bodily injury by accident or disease during the policy period & bodily injury by disease must be caused by conditions of employment.

**The insurance company will pay benefits and respond on your behalf - the claimant's medical bills & lost wages are paid under Part One - benefits are payable per the workers' compensation law.**

### **Part Two: Employers Liability**

- Injury must arise out of and in course of employment
- Employment necessary or incidental to work in a state listed in 3a (this means you must "list" all the states you have employees working in)
- Bodily injury must be caused by conditions of employment
- Any suit or legal action must be brought in the USA.

**The insurance company will pay sums you are "Legally Obligated" to pay within the scope of employers liability coverage for:**

- 1) Damages to third party; (i.e.: as discussed, your injured employee can allege that their injury arose because you had them working on an unsafe piece of equipment (perhaps you modified a machine an employee was working on which caused the employee to lose a hand – the injured employee could sue the machine manufacturer who in turn could sue your Company (3<sup>rd</sup> party over) alleging you modified their machine.
- 2) Care and loss of services;
- 3) Consequential bodily injury to a spouse, child, parent, brother or sister (i.e.: a distraught wife suffers a heart attack after seeing her husband's injury – her husband's injury was the proximate cause of the heart attack);
- 4) Claims in the capacity other than employer (dual capacity) (i.e.: a hospital is an employer and the employee slips & falls and is now treated at the hospital for his injuries – the employee can sue the hospital in capacity of other than being their employer).