

3 Reasons Why You Need Workers Compensation Insurance Even if You Have Health Insurance

Description

Employers cannot provide health insurance only to pay for work-related injuries. While health insurance can provide adequate coverage for medical requirements, it is not the best choice for a work-related accident. Worker's compensation insurance provides maximum coverage for all medical requirements and offers monetary benefits for all workers who cannot return to work immediately.

1. It Is Required by Federal Law

Federal laws in the United States require all employers that hire more than one worker to perform job duties to purchase worker's compensation insurance to cover their workers. It doesn't matter if the employees are related to the business owner or not, the owner of the company must purchase and maintain the worker's compensation insurance.

The laws introduce penalties for any companies that do not comply with these requirements. When the employer doesn't purchase the worker's compensation insurance, the business owner faces the full cost of worker-related injuries and medical expenses. If they cannot provide adequate funds to cover the expenses, the worker could file a lawsuit against their employer. To avoid these circumstances, the business owner can contact an insurance provider [for workers comp insurance](#) today.

2. The Insurance Covers Work-Related Accidents and Injuries

When [the employer files a claim](#), the injured worker is sent to the emergency room for a medical assessment. The doctor records all the worker's injuries and completes a medical report for the worker's compensation insurance provider. The claims adjuster reviews the claim and investigates the accident and determines if the worker qualifies for coverage under the insurance policy.

If the worker qualifies for the insurance coverage, the insurer will send payments to the worker's doctor to cover all medical expenses for the injured worker. The workers do not have to pay for any medical costs related to their work-related injuries. They can bring any additional invoices for their medical care to their employer, and some workers will need ongoing medical treatment depending on how they were injured.

3. The Coverage Offers Wage Replacement for Injured Workers

[Injured workers cannot return to work immediately](#), and they will need time to recover from their injuries. The doctor who reviewed the worker's injuries determines when the worker can return to work and how long it takes to recover. During their recovery, the injured worker could receive monetary benefits from worker's compensation until they can return to work.

Not all workers will qualify for the wage replacement benefits, and the claims adjuster will provide details about when the monetary benefits start and end if the worker qualifies. The monetary benefits range between 80 and 90% of the worker's normal wages. When calculating the monetary benefits, the insurer will get information about the worker's wages from the employer.

While health insurance coverage could pay a portion of the medical expenses, it will not provide any monetary benefits for the workers. The employer could still face liabilities if they do not have worker's compensation insurance, the company will have to pay monetary benefits out of pocket.

Employers are required by law to purchase and maintain worker's compensation insurance. The laws require them to purchase the coverage if they hire more than one employee. The insurance is not the same as health insurance, and it covers specific injuries caused by performing work duties. By reviewing why employers need worker's compensation insurance, many business owners avoid mistakes that could prove costly.

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