



Just the facts



A straightforward guide to workers compensation for small business owners.

5 Things to Know About Workers Compensation

1 What is workers compensation insurance?

Workers compensation insurance provides benefits to an employee for work-related injuries or diseases, helping to protect businesses and employees from the financial impact of those events.

2 What is covered?

Workers compensation helps cover medical expenses and replaces lost pay for employees while they're out of work or if they become disabled for an extended time.

3 What happens when an employee gets injured or sick?

Your insurance carrier will be there for you throughout the claims process and will provide support for your employees to help them get back to work.

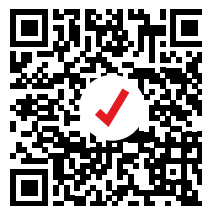


4 Who is responsible for paying premiums?

The employer, not the employee, is responsible for paying for coverage. In most states, coverage is required by state law. Costs vary based on the employer's location, size of the business, type of business and risks of the job.

5 Your agent is your trusted advisor.

Each state has its own rules and regulations regarding workers compensation. Your agent will help you navigate and understand what these rules and regulations mean for you.



[What is workers comp?](#)

Workers Compensation: Misconceptions vs. Reality



✗ Misconception:

I have too few employees to need workers compensation insurance.

✓ Reality:

In most states, if your business has one employee or more, workers compensation insurance is mandatory.

✗ Misconception:

I am the sole employee of my company, so I can just use my own health insurance.

✓ Reality:

Many health insurers exclude work-related injuries and may refuse to cover treatment and recovery related to those injuries.

✗ Misconception:

My employees would never sue me.

✓ Reality:

You can't predict what will happen if someone gets hurt on the job. Without coverage, employers leave themselves open to punitive damages and lawsuits, in addition to astronomical medical bills.

✗ Misconception:

I just want to pay out of pocket. That'll be cheaper than a policy.

✓ Reality:

In most states, workers compensation is mandatory, so paying out of pocket isn't an option. But even if it was, the cost of a lawsuit and settlement can run into the thousands and even millions of dollars.

✗ Misconception:

I don't need to provide coverage for my remote employees.

✓ Reality:

All employees, even when they work remotely, should be covered with workers compensation coverage.

FAST FACT ✓

Having an employee safety program in place can help you protect your employees, your bottom line and your reputation.

Workers Compensation:

Injured employees can impact your business

Injuries at work are more common than you might think. According to an annual **Travelers Injury Impact Report**:

18M+

workdays are lost due to reported injuries¹

34%

of injuries occur in the first year on the job, resulting in 7 million missed workdays¹

52%

of injuries are caused by overexertion and slips, trips and falls¹



¹All data except where noted is Travelers indemnity claim data, in 2017-21 accident years. Zero-dollar claims excluded. Valued 12/31/2021. Losses are unlimited and undeveloped.

FAST FACT ✓

Travelers has a robust library of risk management topics and insights for policyholders, including checklists, self-assessment tools, webinars and training to help you build a culture of safety.

Timely tips:

Bundle your policies to manage your workers compensation for maximum efficiency and savings

! Risk management: Be proactive

Preventing injuries such as trips, slips and falls before they happen can help lower premiums.

► WHAT YOU CAN DO

Implement safety measures such as regular maintenance, clearly marked hazard areas and employee training of proper procedures.

! Premium audits: Be prepared

State regulations require insurance carriers to conduct workers compensation premium audits. Remember that if the audit is not completed, you may face increased premium charges or noncompliance fees.

► WHAT YOU CAN DO

- ☐ Work closely with your agent to identify the correct worker classifications
- ☐ Keep good payroll records and notify your agent of any operational changes
- ☐ Record dates you hired subcontractors and request their certificate of insurance
- ☐ Consider working with a payroll services company or desktop software such as QuickBooks

! Use a pay-as-you-go solution

Pay-as-you-go solutions rely on real-time payroll reporting to calculate workers compensation premiums, resulting in a better cashflow and reduced audit exposure.

► WHAT YOU CAN DO

Work with your existing payroll service provider to set up pay-as-you-go reporting with your carrier, using a tool like TravPay®. Premium payments will be automatically deducted and down payments are not typically required.



FAST FACT ✓

MyTravelers® for Business is a digital tool for customers to manage their account wherever and whenever they want. For more information, visit travelers.com/small-business-insurance/mytravelers.

Why Travelers:

Choosing the right carrier can have a positive impact on your business and employees

As the No. 1 workers compensation carrier that serves over 2 million employees, Travelers knows the importance of continuity for small business owners. Our integrated team-based approach, which includes nurse intake and an online employee portal, helps employees take an active role in their recovery to get back to work as soon as medically appropriate.



WHAT WE DO

Return to work

Early Severity Predictor® has helped almost 70,000¹ injured employees susceptible to chronic pain get the support they need.

A digital experience for mental well-being support led to a 20%² reduction in lost time for injured employees with two or more psychosocial risk factors.

Widely available medical network

Nationwide medical networks have 2.3 million providers that work with us to rein in costs. Even when employees go outside the network, we'll still work to negotiate appropriate rates.

Pharmacy

More than 75% of prescriptions go through our extensive pharmacy network.

RESULT

▶ **72%**

of injured employees return to work within 30 days³

▶ **83%**

of medical dollars spent are billed in network⁴

▶ **66%**

of costs are reduced due to staying within the network⁵

¹Travelers claim data, as of Oct. 2023. ²Travelers internal claim data March 2021–March 2023 with less than \$50K paid. ³Travelers claim data – 3-year average, 2021–2023, accident year at 12 months. ⁴Travelers claim data, average network penetration by accident year at 12 months for past 3 years. ⁵Travelers claim data, 2023 calendar year pharmacy spend as a percentage of calendar year total medical spend. 2023 pharmacy program savings.

Why Travelers:

What to expect from Travelers if an employee gets injured

1 Quick action

There are flexible options for both you and your injured employee to submit a claim quickly 24/7:

Employee: Call 800-252-4633 or go to MyTravelers® for Injured Employees at <https://claimregistration.travelers.com/#/home>

Employer: Call 800-238-6225 or go to travelers.com/claimreporting/account

2 A clear return-to-work plan

You may be asked to provide an alternative work arrangement until they are able to return to their regular job. The longer the injured employee is out of work, the less likely they are to return.

3 An integrated team-based approach

We support your injured employee with both personal connection and easy digital tools.

- ✓ Access to Travelers nurses specially trained to help coordinate care
- ✓ Nurse reporting line available 24/7 for medical guidance and telemedicine solutions
- ✓ Web-based platform for injured employees to check their claim status and more
- ✓ App that helps injured employees develop resiliency skills for recovery



Next steps:

Prepare for an agent conversation

Your agent will help you understand what workers compensation coverage and carrier is right for you based on your business needs.

! Before talking to your agent, make sure you have this information handy:

✓ NUMBER OF EMPLOYEES

The number of workers your business has is important to help determine the scope of your operation.

✓ EMPLOYEE PAYROLL

The size of your payroll by job role is a key indicator of the scale of your operation. This information is important in tailoring your quote for coverage.

✓ FEDERAL ID NUMBER (FEIN)

By supplying your FEIN, your agent can accurately match the right record for your business instead of a business with a similar name or address.

✓ A COPY OF YOUR CURRENT WORKERS COMPENSATION POLICY

If you already have coverage elsewhere, have your policy available for your agent conversation.

✓ EMPLOYEE STATUS

Do you have employees that work remotely out of state? Do employees travel for work out of state or internationally? All this information is necessary.



FAST FACT ✓

Travelers can help you prepare for state-regulated audits and provide a checklist for you to organize necessary documents.

Contact your Travelers independent agent or visit travelers.com/business-insurance/workers-compensation.



travelers.com

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