

## **Why Workers' Compensation**

I am often asked “How many Employees do I have to have before I am required to have Work Comp Coverage?” The answer, in the State of MO, is 5 (including Owners/Officers) and only 1 for certain Construction Employers. However, the best answer, for all Employers, is one. This is why:

Even if not required by law, if an Employee is injured on the job, the Employer can be taken to Court where they will face:

- Attorney Fees
- Hours of time away from their business
- And a potentially huge Judgment with no Insurance Coverage for Protection

### **The benefit for the Employer –**

- Protection from Civil Suits. Monetary Exposure to Civil Suits can be significant
- **Provides a Competitive Advantage when competing for business** – Client will feel comfortable choosing you since they are protected in the event of work related injuries to your employee
- Protection from Fines levied by the State for not having Workers' Compensation Coverage (In MO the fine is substantial).

Retention of Key Employees since they will not suffer financially due to a work related injury.

### **The benefit for injured employees include:**

- Payment of medical invoices
- Partial Replacement of Lost Wages while recuperating
- If injury is severe enough - settlement payment for

## **What is Workers' Compensation**

Workers' compensation laws provide money and medical benefits to an employee who has an injury as a result of an accident, injury or occupational disease on-the-job. Workers' compensation is designed to protect workers and their dependents against the hardships from injury or death arising out of the work environment. It is intended to benefit the employee and employer alike. The employee receives money (usually on a weekly or biweekly basis) and medical benefits in exchange for forfeiting the common law right to sue the employer. The employer benefits by receiving immunity from court actions against them by the employee in exchange for accepting liability that is limited and determined. The question of negligence or fault is usually not at issue

Also Includes:

### **Coverage Explained – Employer's Liability:**

Protection for Employers for Liability Imposed by Law for injury to employees in the course of employment that is not compensable as an obligation imposed by the Workers' Compensation Law.

Example, spouse of injured employee sues Employer on the basis of loss of Consortium (Loss of companionship, comfort and affection).