

# The Employer's Guide to Workers' Comp



**TexasMutual**<sup>®</sup>  
WORKERS' COMPENSATION INSURANCE  
WORK SAFE, TEXAS<sup>™</sup>

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## ■ Workers' Comp: What Is It and Why Do You Need It?

Workers' compensation is a state-regulated insurance program that protects injured workers and employers in the event of an on-the-job injury. Workers' comp provides the best protection against the consequences of on-the-job injuries, for you and your employees.

### Legal protection for you

Employers who do not carry workers' compensation coverage bear complete financial responsibility for an employee's injury or death if the company is found negligent. The total amount they could be responsible for is unlimited. In short, going "bare" could cost them their business.

Section 408.001 of the Texas Labor Code explains that, with only a few exceptions, workers' comp benefits are the injured employee's sole source of recovery from an employer who carries valid workers' comp coverage.

### Medical and income benefits for your employees

If one of your employees is injured on the job, your workers' compensation insurance will:

- ▶ Pay all reasonably required medical bills for a work-related injury
- ▶ Replace some lost wages and compensate the injured employee for permanent impairment caused by a compensable work-related injury
- ▶ Pay benefits based on the employee's pre-injury income and the severity of the injury
- ▶ Pay income benefits to qualifying beneficiaries of an employee who died as the result of a compensable work-related accident and reimburse them for actual burial costs (up to \$6,000)

Some employers think that they have found a cheaper substitute for workers' compensation by purchasing alternative policies. They may not know that alternative policies often leave huge gaps in coverage, limit medical benefits, and refuse to cover some illnesses, diseases and accidents.

### **More information**

Visit [www.tdi.texas.gov/wc/employer/index.html](http://www.tdi.texas.gov/wc/employer/index.html) for more information about the benefits of choosing a workers' comp policy.

## ■ Lower Your Premium

Workers' compensation is one of many expenses employers have to consider but you can make it a smaller piece of your budget by joining a safety group, choosing our workers' comp health care network option and earning dividends.

### Safety groups

State law allows employers in similar industries to purchase their workers' comp coverage as a group. Employers who join a safety group can:

- ▶ Take advantage of free workplace safety resources designed specifically for their industry
- ▶ Receive a premium discount
- ▶ Participate in our group and individual dividend programs\*

*\* Dividends are based on performance and therefore are not guaranteed.*

**More information**

Texas Mutual offers safety group opportunities for a range of industries, including oil and gas, restaurants, construction, health care and auto repair. Ask your agent for more information or visit [texasmutual.com](http://texasmutual.com).

**Texas Star Network**

Most employers who choose Texas Mutual's workers' compensation health care network get a 12 percent premium discount annually. They also benefit from the Texas Star Network's success in helping injured workers recover and return to work.

- ▶ On average, Texas Star Network® patients return to work eight days sooner than non-network patients, a 9 percent reduction.
- ▶ Average indemnity benefits are 14 percent lower for network policies compared to non-network policies.
- ▶ 85 percent of injured workers "agree or strongly agree" that they were provided good network medical care that met their needs.

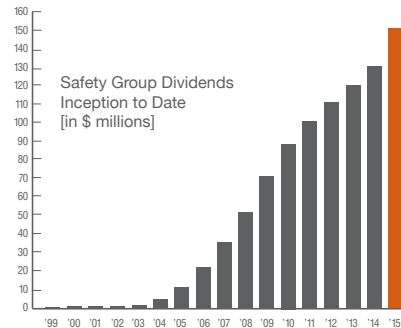
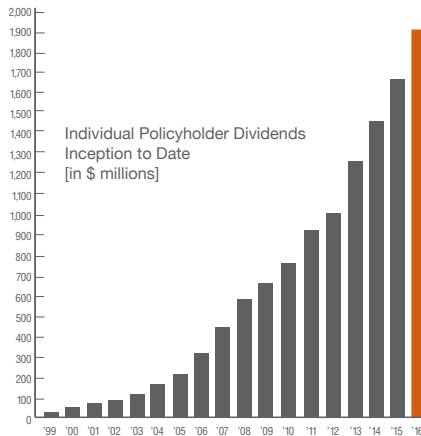
**More information**

Texas Mutual policyholders do not have to wait for their policy to renew to join the network. Speak to your agent or visit [texasmutual.com/hcn/hcn.shtm](http://texasmutual.com/hcn/hcn.shtm).

## Dividends

The costs of the benefits we pay to injured workers affect the overall cost of workers' compensation insurance, which is why we reward employers who help us control those costs. A dividend is essentially a monetary reward for policyholders who help us provide affordable workers' compensation coverage by controlling their claim costs.

- ▶ Your dividend has the potential to increase every year through your fifth consecutive year with Texas Mutual. You continue to be rewarded for the most recent five years' experience thereafter. If you leave before your fifth consecutive year, you start over if you return to Texas Mutual.
- ▶ You can improve your chances of earning a dividend by preventing accidents, committing to a return-to-work process and fighting workers' comp fraud.
- ▶ Policyholders have the potential to earn both individual and safety group dividends.\*
- ▶ Newer policyholders have the opportunity to earn early-qualifier dividends. These dividends reward policyholders for safe workplaces before they are eligible to receive a regular dividend.



### **More information**

For more information about dividends, visit [texasmutual.com/ownershippays](https://texasmutual.com/ownershippays).

*\* Dividends are based on performance and therefore are not guaranteed.*

## ■ **Manage Your Claims**

Texas Mutual manages your claims by investigating injuries for compensability, helping injured workers get back on the job, and ensuring that medical treatments are reasonable, necessary and related to the compensable injury. You can take a hands-on approach to managing claims by preventing accidents, launching a return-to-work process and fighting fraud.

### **Prevent accidents**

The easiest way to control your claim costs is to prevent accidents. For every dollar you invest in safety, you could get four to six dollars in return.

Launching a safety program can be challenging, but we're here to help.

### **Free webinars**

Policyholders can attend free safety webinars each month to learn about workplace safety issues, OSHA compliance, safe driving and more. To register, visit the Training and Education tab at [texasmutual.com](https://texasmutual.com).

### **Safety professionals**

We employ more than 30 safety professionals across the state who average approximately 20 years of experience. They conduct about 8,500 on-site policyholder visits per year, which is more than any other company.

**Texasmutual.com**

Texas Mutual policyholders have exclusive access to thousands of free safety materials in the Safety Resource Center at [texasmutual.com](http://texasmutual.com). Policyholders can visit the resource center to:

- ▶ Watch online safety videos
- ▶ Identify and correct the root causes of workplace accidents
- ▶ Get DVDs, videos, brochures and other safety training materials. Many of the materials are also available in Spanish
- ▶ Find out how much money accidents cost their business

**TexasMutual.WordPress.com**

The Texas Mutual blog is a valuable resource for information about workplace accident trends, practical ideas for creating safe work environments, industry news and much more.

**WorkSafeTexas.com**

Anyone can visit [worksafetexas.com](http://worksafetexas.com) for free workplace safety materials on topics such as ergonomics, distracted driving, teen workers, aging workers and return-to-work programs.

**SafeHandTexas.org**

Traffic incidents are the leading causes of work-related fatalities. Texas Mutual developed this free site to teach employers and their workers how to stay safe behind the wheel.

**TexasOilAndGasSafety.com**

This website is dedicated to keeping oil and gas workers safe. The website features safety information and educational resources that oil and gas workers and employers can use to stay safe on the job.



## Launch a return-to-work process

An experienced worker is a valuable part of your team. The quicker they recover and return to work, the more you'll save.

Texas Mutual encourages employers to launch a return-to-work process to reduce the costs of workplace injuries. The goal of the process is to help injured workers recover and return to productive employment as soon as medically reasonable.

### What's in it for you?

- ▶ Lower claim costs
- ▶ Control your premium by improving your loss history
- ▶ Retain experienced workers - The cost of replacing an injured employee can be 50 to 150 percent of the employee's salary.
- ▶ Reduce the costs of making up for lost production, such as hiring extra help or paying overtime

### What's in it for your employees?

- ▶ Steer clear of the stress and depression that often come with being unable to work
- ▶ Retain their job skills, company benefits and seniority
- ▶ Maintain their pre-injury income - Remember, workers' compensation benefits pay only a portion of the injured employee's salary.
- ▶ Avoid the disability mindset of "I'm injured, and I cannot work"

### More information

Visit [texasmutual.com/safety/safety.shtm](http://texasmutual.com/safety/safety.shtm) to download our free Return-to-Work Kit. More information about return to work is available through the Texas Department of Insurance at [www.tdi.texas.gov/wc/rtw/](http://www.tdi.texas.gov/wc/rtw/).



## Fight fraud

Workers' compensation fraud costs consumers like you \$7.2 billion a year. Texas Mutual Insurance Company works hard to protect our policyholders' premium dollars. Our three teams of experienced, full-time investigators get results, but they need your help.

If you identify two or more of these indicators in a Texas Mutual claim, contact us immediately at (800) 488-4488 or by email at [fraudstoppers@texasmutual.com](mailto:fraudstoppers@texasmutual.com):

- ▶ Tip from a credible source
- ▶ New or disgruntled worker
- ▶ No witness to alleged injury
- ▶ Inconsistent or illogical description of incident
- ▶ Hard to contact injured worker
- ▶ Injured worker acts upset when contacted
- ▶ Suspicious injury on Monday or Friday

### **More information**

Visit [texasmutual.com/fraud/fightfraud.shtm](http://texasmutual.com/fraud/fightfraud.shtm) to read our fraud-fighting success stories, learn more about our FraudStoppers<sup>SM</sup> cash reward program and download a free FraudStoppers<sup>SM</sup> poster.

If you suspect fraud against an insurance carrier other than Texas Mutual, email the Texas Department of Insurance at [fraudunit@tdi.texas.gov](mailto:fraudunit@tdi.texas.gov), call (888) 327-8818 or visit [www.tdi.texas.gov/fraud/onlinereport.html](http://www.tdi.texas.gov/fraud/onlinereport.html).

## ■ Find a Pharmacy

We work with numerous pharmacies across the state, but some pharmacies may not accept workers' compensation claim prescriptions or may only accept cases from a small number of insurance companies.

To help ensure your injured workers get the prescriptions they need for their compensable work-related injuries and to save you money, we partnered with Cypress Care pharmacy account network. To find a network pharmacy near you, go to [cypresscare.com](http://cypresscare.com), call the Cypress Care help desk at (888) 220-2805, or download the Texas Mutual app for Apple or Android devices.

## ■ Save Time With Texas Mutual Online

We want to help you spend less time on workers' compensation and more time focusing on your business. Texas Mutual online services make it easy and convenient for policyholders to:

- ▶ Submit direct-draft payments
- ▶ Sign up to receive alerts about significant changes in existing claims
- ▶ Improve workplace safety
- ▶ Report workplace injuries
- ▶ Review claim details
- ▶ Create loss run reports
- ▶ File interim payroll reports and make online payments

- ▶ Submit an Employer's Wage Statement (Form DWC-3)
- ▶ Review dividend history
- ▶ Register for workshops
- ▶ Download state-required forms
- ▶ Report suspected fraud
- ▶ Download our Return-to-Work Kit
- ▶ Get workers' comp news and updates

Visit [texasmutual.com](http://texasmutual.com) today to start taking advantage of these free tools.

## ■ Learn About Our Scholarship Program

One of our top priorities at Texas Mutual is to reduce the number of work-related injuries, illnesses and fatalities in Texas and minimize their consequences. Still, we know that accidents do occur. In cases of compensable work-related fatalities, we offer college scholarships to qualified, surviving family members of workers.

The Texas Mutual scholarship program provides up to \$4,000 for tuition and fees each semester, plus assistance for course-related books and supplies. We hope that each scholarship will serve as part of the employee's legacy to his or her family and reduce the family's financial burden.

We also offer scholarships to people whose compensable injuries qualify them for lifetime income benefits, and to their spouses and unmarried children.

For complete scholarship requirements and related procedures, visit the Injured Workers section at [texasmutual.com](http://texasmutual.com) or call (800) 859-5995.

## ■ Speak the Language of Workers' Comp

Average weekly wage	AWW
Benefit review conference	BRC
Benefit review officer	BRO
Contested case hearing (also benefit contested case hearing)	CCH
Contested case hearing officer (also benefit contested case hearing officer)	CCHO
Death benefits	DBs
Division of Workers' Compensation (also the Division)	DWC
Documentation of procedure	DOP
Durable medical equipment	DME
Health care provider	HCP
Impairment income benefits	IIBs
Impairment rating	IR
Insurance carrier	Carrier
Lifetime income benefits	LIBs
Maximum medical improvement	MMI
National Council on Compensation Insurance	NCCI

Post-injury earnings (also weekly earnings after the injury)	PIE
Required medical examination	RME
Return-to-work program	RTW
Supplemental income benefits	SIBs
Temporary income benefits	TIBs
Texas Department of Insurance	TDI
Texas Workers' Compensation Act	Texas Labor Code, "the Act," or "the Statute"
Workers' compensation health care network	HCN
Workers' Comp Research and Evaluation Group	REG

## ■ Related Sources

Texas Department of Insurance, Division of Workers' Compensation  
(512) 804-4000, (800) 372-7713  
[Tdi.texas.gov/wc/indexwc.html](http://Tdi.texas.gov/wc/indexwc.html)

Texas Workforce Commission  
(800) 832-2829  
[Twc.texas.gov](http://Twc.texas.gov)

Texas Department of Insurance  
(512) 463-6169, (800) 578-4677  
[Tdi.texas.gov](http://Tdi.texas.gov)

Occupational Safety and Health Administration  
(800) 321-6742  
[Osha.gov](http://Osha.gov)

National Council on Compensation Insurance  
(800) 622-4123  
[Ncci.com](http://Ncci.com)

## ■ About Texas Mutual Insurance Company

Texas Mutual Insurance Company is a policyholder-owned company. We provide coverage to 40 percent of the market, representing over 64,000 companies, many of which are small businesses. Since 1991, the company has provided a stable, competitively priced source of workers' comp insurance for Texas employers. Helping employers prevent workplace accidents is an important part of Texas Mutual's mission.

Workers' comp is all we do and we do it better than anyone else. Businesses across Texas count on us to help them lower their workers' comp costs and protect their employees on the job. We respond with:

- ▶ Competitive rates
- ▶ Safety groups
- ▶ Dividends for employers who prevent accidents and manage their claims\*
- ▶ Zero tolerance fraud policy
- ▶ Comprehensive safety services
- ▶ Timesaving Texas Mutual online tools
- ▶ Long-term commitment to Texas employers
- ▶ Workers' comp specialists dedicated to helping you get the most value out of your Texas Mutual coverage

### **Get more information**

Ask your agent for more information about Texas Mutual Insurance Company or visit us online at [texasmutual.com](http://texasmutual.com).

*\* Dividends are based on performance and therefore are not guaranteed.*



## ■ Contact Us

Call us toll-free at (800) 859-5995 from 8 a.m. to 5:30 p.m. Central to speak with a Texas Mutual Insurance Company representative or contact us by email at [information@texasmutual.com](mailto:information@texasmutual.com).

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