

What Is Workers' Compensation Insurance ?

Workers' compensation insurance is a special type of commercial insurance designed to provide medical care and reimbursement for lost wages for employees who are injured in the **"course and scope"** of employment. Keep in mind that workers' compensation insurance is a *no fault* type of insurance. This means the policy provides benefits even if employees don't follow your safety rules. As long as the injury occurred in the "course and scope" of employment, the coverage applies. Course and scope of employment essentially means the employee was performing some job function that the company asked them to do. This may be their regular job duties or a special one-time task the company requested.

Workers' compensation insurance is not a welfare or unemployment program. It is not designed to replace a workers' income because they don't want to work anymore. Rather, it is designed to provide medical treatment to make the worker "whole" again and temporarily replace their wages until they can return to work. This may seem obvious, but it is an important concept. The worker must be injured on the job in order to receive benefits. And the benefits should be considered a temporary replacement of wages, not a permanent one.

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