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What You Need to Know About Workers' Compensation

If you employ even one person, you need to know how workers' compensation rules apply to you.

by Peter Fretty

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With the increased attention surrounding arc flashes and other electric-related injuries, workers' compensation insurance has increased in its awareness. That can only lead to better informed decisions, explains Robert Capuano, shareholder with Princeton, N.J.-based Stark and Stark.

Fortunately, as more eyes turn to insurance requirements within the industry, the time has come for electrical contractors to realize that certain injuries tend to reoccur more frequently within the electrical industry as opposed to others.

"By recognizing the most common problems, it may be possible to limit the extent of long-term injury," Capuano says. "The occupational claims including wrist, arm, elbow and shoulder injuries primarily from pulling wire are quite common within the field, and it behooves a contractor to provide the employee with treatment immediately. This can definitely lower costs along the line. These injuries are something that you want to watch out for regularly."

Stay Current
According to Art Pletz, senior vice president of corporate underwriting with Southfield, Mich.-based Meadowbrook Insurance Group Inc., even though workers' compensation does vary significantly from state to state, the concept surrounding the insurance is that there is never a question of liability when someone is hurt on the job. "You need to offer medical care and income throughout recuperation," Pletz says. "Having this coverage in place provides your business with a layer of protection and employees with a level of comfort."

Pletz says to pay close attention to any shift in industry-specific legislation and codes, and immediately embrace the changes. "When you are always keeping these standards in mind, you will undoubtedly build safety into the job site," he says. "When the job sites remain safe, injuries occur less frequently."

Likewise, Tom Carpenter, C.O.O. of Charlotte, N.C.-based Carpenter, Cammack and Associates adds that electrical contractors need to be proactive. "Accurately report their payroll and claim information," he says. "Also make every effort to bring injured workers back in on a light-duty basis as soon as possible."

Avoid Downplaying Documentation
According to Capuano, there are many ways of documenting fault including photographing the job site, interviewing those present and writing out the exact circumstances surrounding the accident. "This may not seem that important, but in addition to allowing individuals to collect adequate compensation, it also leaves a solid paper trail," Capuano says.

Laws Vary from State to State

How states dictate workers' compensation policies can vary significantly. As a result, it is important to pay close attention to how each state differs. Regarding state variance, industry experts offer the following advice.

- When performing work outside your home state, make sure you have coverage to avoid individual liability. This has become an issue with the recent influx of workers entering the Gulf Coast states. "Contractors do not automatically have coverage in these states and need to get clarification from their agent on this," says Tom Carpenter, president of Charlotte, N.C.-based Carpenter, Cammack and Associates. "Much of the work in these states is being performed on or around navigable waters, and workers may be subject to the Longshoreman's and Harborworker's provisions, which specify higher benefit levels for injured workers."
- Even if you have coverage, check with the general contractor in the state to see whether or not it is acceptable.
- Understand that personally opting out of coverage in states like Texas may not be worth the initial cost savings.