

Five reasons you should have workers' comp coverage

As a small business owner, you struggle with knowing what insurance you need to have versus what coverage you should have. And while most states require any employer with one or more employees to have workers' compensation insurance, some don't.

If you are on the fence about whether to have workers' compensation insurance for your business, here are five good reasons why you should get coverage today.



1 | It's the right thing to do

Group health insurance does not cover work-related injuries or illness. Employees will therefore appreciate your having workers' comp coverage because it supports their return to work and productivity after such an incident. Workers' comp insurance covers employees' lost wages and medical expenses and will provide an employee's survivors with death benefits should the employee pass away.

2 | It protects your business

If your state requires workers' comp coverage and you don't carry it, your business can face severe consequences. For example, if an employee falls and breaks their ankle in your workplace, and you don't have workers' comp coverage, you could be liable for paying their medical expenses and lost wages. Without workers' comp, you could also be liable for paying your employee's disability benefits.

This can really add up: [The average workers' compensation](#) claim for a work-related slip/fall, for instance, is about \$42,000 (though many claims are much higher). Compare that with [the average monthly premium](#) payment per employee for workers' comp, which is \$78.

Even in Texas, where private-sector employers have the right to opt out of buying workers' compensation insurance, [72%](#) of employers get coverage. While some feel it's simply the right thing to do for their employees and their businesses, many are motivated by concerns over lawsuits (and out-of-pocket expenses if they're not covered). If you don't have coverage when it's legally required, you could also face hefty fines and penalties from state regulators.



3 | If you're an independent contractor, your clients might require it

Workers' comp coverage isn't always optional for the self-employed. [California](#), for example, requires roofers to have workers' comp coverage whether they have employees or not.

As an independent contractor, you might be legally exempt from having a workers' comp policy, but your clients might require you to have coverage as a precondition for working for them. As an entrepreneur, having coverage can be a way to maximize opportunities for your business.

If these aren't reason enough, getting workers' comp offers added protection for solopreneurs whose work involves potentially damaging repetitive movements, exposure to chemicals or risky manual labor.



4 | If you think you're a low-risk business, think again

You may perceive your business as low-risk when compared to industries such as construction, but if you look at the [top 10 list](#) of industries with the most work-related injuries and illnesses, you'll see that both retail employees and stocking clerks actually have more injuries and illnesses than construction workers. Relying on false assumptions or accepting too much risk is just bad for business.



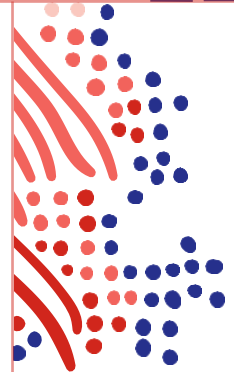
5 | New workplace injuries that you might not see coming

We've all seen the recent acceleration of catastrophic weather conditions and natural disasters across the country, from historic heat waves in the west to hurricanes and flooding in the east. As a result, state regulators have begun moving to protect workers from weather-related injuries and illnesses. California has a permanent [heat stress rule](#) that "calls for [employer] heat illness prevention plans, shade structures ... and rest and recovery periods." States like Oregon and Washington are now considering similar regulations.

Coverages will continue to evolve to help you manage risks, so it's not enough to simply have coverage, but it's also important to consult your broker to make sure you have the right policies in place over time.



Don't miss out on important business protections by not having workers' comp coverage. Reach out to ADPIA® for a free consultation today!



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