

What Happens When You Don't Have Enough Workers' Compensation Insurance?

Because workers' compensation is heavily regulated on the state level, the workers' compensation system ensures that businesses carry enough insurance to cover the costs of work-related injury. So unlike most types of business and personal insurance, it's very difficult to find yourself underinsured.

Workers' compensation insurance is directly related to the size of your work force and is calculated by your payroll. As long as your total payroll amount is correct and you are insured with a reputable carrier, it is very difficult -- and theoretically impossible -- to be underinsured for workers' compensation. Each state performs mandatory audits to ensure that companies are carrying the appropriate level of workers' compensation coverage.

Does Every Business Have to Have Workers' Compensation Insurance?

I plan to start a small company with only a few employees. Do I need to have work Workers' Compensation Insurance?

Most likely, yes. Workers Compensation Insurance is typically mandated by state law for any companies that have employees. This insurance is designed to make sure that injured or disabled employees hurt on the job are compensated, and that the company's liability is eliminated or mitigated.

Make sure to find a good insurance agent to help you get the best deal and coverage. There are ways to mitigate the insurance premiums, and make sure to take advantage of those opportunities.

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