



Workers' Compensation

Workers' compensation insurance is the oldest social insurance program in the United States; in fact, it is older than both social security and unemployment compensation.

California adopted workers' compensation laws in the 1910's along with most other states. Workers' compensation is based on a no-fault system, which means that an injured employee does not need to prove that the injury or illness was someone else's fault in order to receive workers' compensation benefits for an on-the-job injury or illness.

What Benefits Are in a Workers' Compensation Policy?

Depending on the circumstances of the injury or illness, injured workers are entitled to specific benefits as structured by workers' compensation insurance. There are five basic types of workers' compensation benefits that include:

- medical care
- temporary disability benefits
- permanent disability benefits
- supplemental job displacement benefits
- and death benefits.

Injured workers may be entitled to one or more of these benefits.

How Is Coverage Structured in a Workers' Compensation Policy?

Workers' compensation coverage is offered under Part One of a workers' compensation insurance policy. In Part One, the insurance company agrees to promptly pay all benefits and compensation due to an injured worker. These payments are imposed on the employer by workers' compensation law or laws of the state or states listed on the Declarations page of the policy. Workers' compensation insurance is considered the exclusive remedy for injured employees.

Employers' liability insurance is offered under Part Two of a workers' compensation and employers' liability insurance policy and protects the employer against instances in which an employee's injury or disease is not subject to the workers' compensation laws.

Does the California Department of Insurance (CDI) Handle Workers' Compensation Claim Issues?

It is important to note that most disputes between injured workers and workers' compensation insurers do not come under the jurisdiction of the California Department of Insurance. Nonetheless, in specific instances, the California Department of Insurance does investigate the fraudulent submission or denial of workers' compensation claims (California Insurance Code Section 1871.4).

What Workers' Compensation Issues Does the California Department of Insurance Handle?

The California Department of Insurance primarily deals with rating and underwriting issues involving workers' compensation insurance. Consumers can contact the California Department of Insurance with a variety of workers' compensation rating and underwriting concerns. The following is a list of common consumer issues under the jurisdiction of the California Department of Insurance regarding workers' compensation insurance:

- Insurer compliance with filed rates
- Rating errors
- Classification and experience modification disputes
- Failure to provide loss history reports
- Cancellation and nonrenewal notices
- Audit disputes

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- Dividend plans
- Broker-agent handling
- Insurance fraud

Filing a Complaint (Request for Assistance)

The California Department of Insurance is committed to protecting consumers' rights. Many questions can be answered over the phone. If we are unable to resolve the issue over the phone, you can file a Request for Assistance form by mail or online on our website. The system will allow you to attach copies of all necessary documents, such as policies, canceled checks and correspondence. Some examples of the issues the Department may be able to help with include:

- Improper Denial of Claim
- Cancellation or non-renewal of a policy
- Delay in settlement
- Alleged misappropriation of premiums paid
- Alleged misrepresentation by an Agent/Broker or solicitor
- Unfair underwriting practices
- Dishonest or deceptive insurance sales tactics

Contact Us

Consumer Assistance Hotline:

1-800-927-4357

TTY 1-800-482-4833

Visit us on the web at:

www.insurance.ca.gov

To order additional materials contact

Community Relations & Outreach at:

crob@insurance.ca.gov



Led by Insurance Commissioner Ricardo Lara, the California Department of Insurance is the consumer protection agency for the nation's largest insurance marketplace and your best resource for honest and impartial answers to insurance questions. Knowledgeable insurance professionals are available through our consumer hotline. Call 1-800-927-HELP (4357) or visit www.insurance.ca.gov to view all of our consumer information guides and insurance resources. These tools are available to consumers free of charge.