



TEXAS NONSUBSCRIBER OPTION FAST FACTS

Comparisons of Texas workers' compensation to the Nonsubscriber Option¹ reveal many advantages for Texas business, injured workers, and the State:

- 1. Better for Employees.** Employees receive more communication on their rights and responsibilities, and better medical outcomes through access to doctors who might not accept workers' comp. Wage replacement benefits are also frequently higher than under workers' compensation.
- 2. Better for Employers.** Employers directly participate in the injury recovery process, resulting in higher employee morale, more productivity, and substantial cost savings.
- 3. Substantial Claim Volume.** Approximately 50,000 Texas Nonsubscriber Option injury claims are successfully resolved every year.
- 4. Substantial Insurance Premium Volume.** A highly competitive Option insurance marketplace has generated well over \$1 billion in direct written premiums over the past decade.
- 5. Large Number of Covered Employees.** Approximately 1.43 million Texas employees are covered by injury benefit plans.
- 6. Low and Shrinking Number of Non-Covered Employees.** Only 4.9% of Texas workers are not covered by either workers' compensation or an injury benefit plan. The number of non-covered workers in Texas shrank by 6% from 2012 to 2014 and is comparable to the percentage of non-covered workers in at least 10 other states.
- 7. Fewer Lost Time Claims.** Very conservatively, employers who elect the Texas Option experience 24% fewer lost time claims.
- 8. Claims Close Faster.** Three-quarters of Texas Option claims are closed by the end of the first year and over 99% are closed by the end of the second year.
- 9. Higher Employee Satisfaction.** Employees appreciate the full disclosure of their rights and responsibilities under an Option injury benefit plan, and the customer service they receive. As a result, when compared to Texas workers' compensation, fewer Option claims are initially denied and far fewer claim denials are appealed or otherwise disputed.
- 10. Private Industry Employment Base.** Approximately 1,000 Texas employees currently work in the private sector on nonsubscriber injury program development, administration and insurance.
- 11. No State Regulatory Expense.** Texas budgeted \$35 million to regulate its workers' compensation system in fiscal year 2014. In contrast, zero state regulatory resources or expense have been needed to facilitate, oversee, or resolve many hundreds of thousands of nonsubscriber injury benefit claims over the past 25 years.
- 12. Economic Development.** Competition created by the Option drives down workers' compensation insurance rates for all employers. The Texas Option has saved billions of dollars off of workers' compensation costs and helped Texas lead the nation in job creation.

Details are found in the ground-breaking new white paper, "Options to Workers' Compensation: Public Policy Analysis" found at www.partnersource.com/option-public-policy-analysis.

¹aka Non-subscription, Nonsubscription, Opt-out, Alternatives to Workers' Comp, Act Rejection