



## **Options to Workers' Compensation: Driving Job Growth and Better Outcomes for Workers**

A dual system of traditional workers' compensation and the "nonsubscriber" Option have provided Texas the most successful occupational injury management system in the United States.

**More Jobs.** The Option has helped Texas lead the nation in job creation and is contributing to its standing as one of the best places to do business in the country. "There are several things that have led to Texas growing jobs more than any other state," says Texas Governor Greg Abbott. "One was the reform that allowed employers to choose whether or not they were going to purchase workers' compensation insurance."

**Better Benefits for Employees.** Employers electing the Option frequently pay higher wage replacement benefits than workers' compensation, starting temporary disability benefits on the first day of lost time (instead of the seven-day waiting period under workers' compensation that requires injured employees to either go without pay or use their vacation or sick pay to make up the gap in coverage). Many employers electing the Option also do not apply maximum per week limits that simply cut back benefits on the employer's highest wage-earners. Benefit improvements like these (and others) can be very meaningful to injured workers and their families.

**Cost Savings for Employers.** Over the past decade, a combination of legislative reforms and the Option have caused Texas workers' compensation premium rates to be cut in half! The Option has made implementation of legislative reforms more manageable and required workers' compensation insurance carriers to move more quickly to gain the advantages of such reforms as they compete harder for business. Texas employers have saved billions of hard dollars, generating massive economic development, while delivering higher injured employee satisfaction.

**Superior Performance.** Thirty-three percent of all Texas employers have exercised this Option to develop their own injury benefit programs that cover 1.43 million workers. Over 20 years of data now proves the superior performance of the Texas Option, even compared to the much improved performance of the Texas workers' compensation system. The Option results in fewer lost time claims, faster return to work, fewer claim denials, savings on state government expense, and lower employer costs.

It should be no surprise that a similar Option became effective in Oklahoma 2013 or that Tennessee, South Carolina and other states are now looking to replicate the Texas Option's success.

For detailed analysis and data, go to "***Options to Workers' Compensation: Public Policy Analysis***" at [www.partnersource.com/option-public-policy-analysis](http://www.partnersource.com/option-public-policy-analysis) or call PartnerSource (Bill Minick, JD, LLM – President, at 214-239-4584 or Russell Huber, MBA – Executive Vice President, at 214-239-4590). Also, see information on the Association for Responsible Alternatives to Workers' Compensation at [www.arawc.org](http://www.arawc.org).