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New white paper: Oklahoma workers' compensation alternate coverage provisions

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Sedgwick has been closely monitoring the recently passed Oklahoma workers' compensation alternate coverage law, which reduces costs, preserves employee benefits and provides new flexibility for employers. To further explain the implications of this new legislation, we have sponsored a white paper authored by Peter Rousmaniere and Jack Roberts of the New Street Group.

This may be "the most inventive" workers' compensation legislation of any state since the early decades of the 20th century, concludes the report. The recently released analysis looks at:

- How the new Oklahoma law will lower workers' compensation costs for employers
- How employers can provide an alternate to the state's system
- How claims management is impacted
- The potential for major cost savings
- The legal issues involved
- National implications for coverage alternatives in other states

"Sedgwick was very supportive of the Oklahoma legislation giving employers an alternative coverage option," stated David A. North, president and CEO of Sedgwick. "For many years, we have handled claims for non-subscribers in Texas and their programs have consistently yielded good outcomes. We will work diligently to help interested clients implement the Oklahoma option and help them provide successful programs for their employees."

"Interest in opt-out programs has spread nationwide, along with disenchantment in the prospects of deep and lasting legislative reforms in the state systems," the report said.

Sedgwick also sponsored an in-depth research study on the Texas workers' compensation opt-out alternative. In Texas, there are virtually no restrictions for employers that opt-out of the state's system. Traditional state workers' compensation systems generally include no-fault provisions regarding workplace injuries that are caused by the actions of an employer vs. an employee. In return, employers are protected against lawsuits from injured employees and minimum benefits are prescribed. This legal protection, called exclusive remedy, is not granted to employers in Texas.

In the new Oklahoma law, employers that choose an alternative benefits plan must follow a series of requirements. Employer protection under exclusive remedy is preserved by Oklahoma law, and benefits provided to injured workers under an alternative benefits program must be equal to or better than those currently provided by the state's workers' compensation system.

As the report notes, "it is expected that many employers will choose to opt-out in Oklahoma. Oklahoma employees could conceivably enjoy an increase in benefits, even as employers substantially reduce their total workers' compensation costs."

Click here for a complimentary copy of the Oklahoma alternate coverage white paper

For questions, please contact your Sedgwick client services director.