

NEWS FROM SEDGWICK



Sedgwick publishes white paper on Oklahoma workers' compensation alternate coverage provisions

New law reduces costs, preserves employee benefits, and provides new flexibility for employers

MEMPHIS, Tenn., June 4, 2013 – Sedgwick, the leader in technology-enabled claims and productivity management solutions, has been closely monitoring the Oklahoma workers' compensation alternate coverage law, which passed earlier this month. To further explain the implications of this new legislation, Sedgwick 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; and 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 with prospects of deep and lasting legislative reforms to the statutory state systems,” the report said.

Sedgwick also sponsored an in-depth research study on the Texas workers' compensation opt-out alternative. Both studies are available online at www.sedgwick.com.

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."

It is anticipated that the Oklahoma Supreme Court will review certain parts of the provisions in the new workers' compensation law.

About Sedgwick

Sedgwick Claims Management Services, Inc. is the leading North American provider of innovative claims and productivity management solutions. Sedgwick and its affiliated companies deliver cost-effective claims, productivity, managed care, risk consulting, and other services to clients through the expertise of more than 10,000 colleagues in 195 offices located in the U.S. and Canada. The company specializes in workers' compensation; disability, FMLA, and other employee absences; managed care; general, automobile, and professional liability; warranty and credit card claims services; fraud and investigation; structured settlements; and Medicare compliance solutions. Sedgwick and its affiliates design and implement customized programs based on proven practices and advanced technology that exceed client expectations. For eight years in a row, Sedgwick has been awarded the distinguished *Employer of Choice*[®] certification, the only third-party administrator (TPA) to receive this designation. In 2011 and 2012, the company was named the Best Overall Large Account TPA by buyers of risk services through an independent survey conducted by *Business Insurance*. For more, see www.sedgwick.com.

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