

# Property & Casualty Insurance

**Workers' Compensation Insurance** provides wage replacement and medical benefits to employees injured in the course of employment in exchange for mandatory relinquishment of the employee's right to sue his or her employer for the tort of negligence. The tradeoff between assured, limited coverage and lack of recourse outside the worker compensation system is known as "the compensation bargain." While plans differ among jurisdictions, provision can be made for weekly payments in place of wages (functioning in this case as a form of disability insurance), compensation for economic loss (past and future), reimbursement or payment of medical and like expenses (functioning in this case as a form of health insurance), and benefits payable to the dependents of workers killed during employment (functioning in this case as a form of life insurance). General damages for pain and suffering, and punitive damages for employer negligence, are generally not available in workers' compensation plans, and negligence is generally not an issue in the case. These laws were first enacted in Europe and Oceania, with the United States following shortly thereafter. Statutory compensation law provides advantages to employees and employers. A schedule is drawn out to state the amount and forms of compensation to which an employee is entitled, if he/she has sustained the stipulated kinds of injuries. Employers can buy insurance against such occurrences. However, the specific form of the statutory compensation scheme may provide detriments. Statutes often award a set amount based on the types of injury. These payments are based on the ability of the worker to find employment in a partial capacity: a worker who has lost an arm can still find work as a proportion of a fully able person. This does not account for the difficulty in finding work suiting disability. When employers are required to put injured staff on "light-duties" the employer may simply state that no light duty work exists, and sack the worker as unable to fulfill specified duties. When new forms of workplace injury are discovered, for instance: stress, repetitive strain injury, silicosis; the law often lags behind actual injury and offers no suitable compensation, forcing the employer and employee back to the courts (although in common-law jurisdictions these are usually one-off instances). Finally, caps on the value of disabilities may not reflect the total cost of providing for a disabled worker. The government may legislate the value of total spinal incapacity at far below the amount required to keep a worker in reasonable living conditions for the remainder of his life.