

INDIANA

EMPLOYMENT LAW

Workers' Compensation – Employer Responsibilities



Workers' compensation is a system of no-fault insurance that provides monetary and medical benefits to employees or their survivors for work-related injuries, diseases and deaths. Workers' compensation is governed by state law.

The Indiana Worker's Compensation and Occupational Disease Acts (WC Acts) establish employer responsibilities relating to workers' compensation in the state. The [Workers' Compensation Board of Indiana](#) (Board) investigates and enforces employer responsibilities under the WC Acts.

STATE RESOURCES

Workers' Compensation Board of Indiana [website](#)

COVERAGE REQUIREMENTS

Under the WC Acts, employers must maintain adequate workers' compensation insurance coverage for both accidental injuries and occupational diseases that its employees may sustain in the course of the employment. For workers' compensation purposes, an employer is generally any individual or entity that pays another person for services.

Employers must provide proof of their workers' compensation coverage to the Board within **10 days** after obtaining it. The Board may also request this written proof from an employer at any time, and employers must submit the proof within 10 days after a Board request.

Employers may satisfy the coverage requirement by:

- Obtaining a workers' compensation insurance policy from an insurance company; or
- Becoming self-insured.

A self-insured employer uses its assets, rather than an insurance policy, to insure against its obligations under the WC Acts. The WC Acts also allow certain groups of employers to pool their liabilities to qualify as self-insurers. To become self-insured in Indiana, employers must [apply](#) for authorization from the Board. This process includes providing the Board with an initial application fee of \$500, proof of financial ability to pay compensation and a security deposit in an amount determined by the Board.

EXEMPT EMPLOYERS

The WC Acts specifically exempt certain employers from the coverage requirements.



Exempt employers include:

- Residential property owners who hire people to work in or around the home;
- Nonprofit corporations that hire people to perform youth coaching services on a part-time basis;
- Owners or representatives of a state, county, township, city, town, school city, school town, school township, other municipal corporation, state institution, state board, state commission, bank, trust company or building and loan corporation;
- Employers of casual laborers;
- Employers of farm or agricultural workers;
- Employers of members of a fire department or police department of a municipal corporation who are also members of a firefighters' or police officers' pension fund and
- Certain volunteer programs operated by a county, municipality or township.

Despite the exemptions, any of these employers may elect to provide workers' compensation coverage for their employees. To do so, they must provide notice to their employees at least **30 days** before any claimed date of injury or disease. They must also file a copy of the [notice](#) with the Board within **five days** after providing it to the employee(s).

COVERAGE NOTICE REQUIREMENTS

Employers that are subject the WC Acts' coverage requirements must post a printed [notice](#) of their workers' compensation coverage in a conspicuous location where employees can see it in their places of business.

At minimum, the notice must include the name, address and telephone number of the employer's insurance carrier, or, if the employer is self-insured, the person who administers the employer's workers' compensation claims.

INJURY REPORTING REQUIREMENTS

Employers must keep records of all injuries or diseases claimed by any employees and provide the Board with copies of the records upon its request.

When an employee reports a work-related injury or disease that results in absence from work for more than one day, the employer must report it to the Board or to its insurance carrier, if applicable, **within seven days**. The reporting period begins after the employer first had knowledge of the injury or disease. This filing must be completed electronically using the "First Report of Injury, Illness" (Form [SF 34401](#)). Insurance carriers must file the injury or disease report with the Board within seven days of receiving notice from employers.

COMPENSABILITY DETERMINATION REQUIREMENTS

Employers (or their insurance carriers, if applicable) have **30 days** from the time an employee provides notice of a work-related injury or disease to decide whether to accept or deny the employee's claim for workers' compensation benefits. If the employer denies a claim, it must file a "Notice of Denial of Benefits" (Form [SF 53914](#)) with the Board by the **30th day** after the employee's notice.

An employer may obtain an additional 30 days to make a compensability decision if it can establish that the delay is due to an inability to obtain medical information that is necessary to determine its liability. To request this extension of time, an employer must complete and file a "Notice of Inability to Determine Liability/Request for Additional Time" (Form [SF 48557](#)) with the Board.



BENEFIT PAYMENT REQUIREMENTS

If an employer accepts an employee's claim, it must make an initial payment of temporary disability benefits to the employee within **14 days** after the employee first missed work due to the work-related injury or illness.

COMPENSATION AGREEMENT FOR ACCEPTED CLAIM

Within **15 days** after paying the first installment of temporary disability benefits to an employee for an accepted claim, the employer must provide the employee with a completed "Agreement to Compensation of Employee and Employer" (Form [SF 1043](#)). In cases of death, employers must provide an agreement to the employee's dependents (Form [SF 18875](#)).

Both types of agreements must specify the workers' compensation benefits the employer agrees to pay, and Form SF1043 may be updated as the employee's condition changes. Once the employer and employee (or dependents in cases of death) sign an agreement, the employer must file it with the Board and provide a copy to the employee (or dependents) within **15 days**.

PAYMENT REDUCTION OR TERMINATION

After benefit payments begin for temporary disability, employers may not reduce or cancel payment unless the employee:

- Returns to work (if the injury was accidental, this may include work with another employer);
- Dies;
- Refuses to submit to medical examination, as required by the WC Acts;
- Refuses to accept suitable employment while only partially disabled for accidental injuries;
- Has received 500 weeks of temporary disability benefits;
- Has received the maximum total compensation allowable under the law; or
- Becomes unable or unavailable for work for reasons unrelated to the compensable injury or disease.

Employers wishing to cancel benefit payments must provide notice of their intent. This notice must be provided at least **seven days** before any benefit reduction or termination takes place.

If the employer is making work available to the employee, the employer must also provide a "Report of TTD/TPD Termination" (Form [SF 38911](#)). If the employer does not have work available for the employee, the employer must use the "Notice of Suspension of Compensation and/or Benefits" (Form [SF 54217](#)).

Once an employer files either of these forms, the employee has **seven days** to accept the reduction or termination or file a written notice of disagreement with the Board.

MORE INFORMATION

Contact Heffernan Insurance Brokers or visit the Board [website](#) for more information on workers' compensation laws in Indiana.