

EMPLOYMENT LAW SUMMARY

Tennessee: Workers' Compensation - Employer Responsibilities



Because You're Different

Workers' compensation is a system of no-fault insurance. Workers' compensation insurance provides wage replacement and medical benefits to employees for work-related injuries and diseases.

The Tennessee Workers' Compensation Law (TWCL) sets forth employer responsibilities relating to workers' compensation in the state. The [Bureau of Workers' Compensation](#) (TBWC), part of the Tennessee Department of Labor and Workforce Development, investigates and enforces employer responsibilities under the TWCL.

COVERAGE REQUIREMENTS

The TWCL requires an employer to maintain adequate workers' compensation insurance coverage if it:

- Has **five or more** full- or part-time employees;
- Is a construction service provider (exemptions may apply); or
- Is a coal mine operator.

Employers may obtain coverage from an insurance company or become self-insured. To become self-insured, an employer must obtain a certificate of authority from the [Tennessee Department of Commerce and Insurance](#) (TDCI). This requires maintaining at least \$500,000 in security with the TDCI and providing annual evidence of financial ability to pay all claims that may arise under the TWCL. The TWCL also allows certain groups of 10 or more employers to pool their resources to qualify as self-insurers.

NOTICE REQUIREMENTS

Regardless of whether an employer is subject to the TWCL's coverage requirements, **any entity that uses the services of at least one other person for pay** must post and maintain a printed [notice](#) regarding workers' compensation.

At minimum, the notice must include:

- A general description of the duties and obligations of both the employer and employees under the TWCL;
- The name, address and telephone number of the individual to notify in the event of a work-related injury;
- A toll-free number and address for the Division from which employers or employees may obtain additional information; and
- The name, address and telephone number of an employer representative who can confirm whether the entity is subject to the TWCL.

COVERAGE REPORTING REQUIREMENTS

Employers subject to the TWCL's coverage requirements must file written evidence of compliance with the Division ([Form I-1](#)), or, if self-insured, with the TDCI. The evidence of compliance is due within **30 days** after procuring or renewing a workers' compensation policy, or, if the employer is self-insured, within 30 days of qualifying as a self-insurer.

INJURY REPORTING REQUIREMENTS

When an employee reports a work-related injury, the employer must report it to the insurance carrier or claims administrator (if applicable) within **one business day**. The employer must also notify the Division by filing an Employer's First Report of Work Injury or Illness (Form C-20). The first notice is due to the Division **as soon as possible**, except that:

If the employee has not returned to work within seven days of the injury due to the work-related condition, the first notice is due no later than **14 days** after the employer had knowledge of this; or

If the employee returns to work within seven days or fewer, the first notice is due no later than the **15th day of the month** following the month in which the injury occurred.

PHYSICIAN PANEL AND MEDICAL EXPENSES

As soon as possible, but no later than **three days** after a workplace injury, employers must provide an injured employee with a list (also referred to as a panel) of **at least three** independent medical treatment providers who can provide treatment for the employee. The medical care providers on the list must practice within the employee's community. The TWCL does not define "community," but it indicates that if no physicians are available in the employee's community, the panel physicians may be located within a 125-mile radius of the employee's community.

The panel must be established using the "Agreement Between Employer/Employee Choice of Physician" form ([Form C-42](#)). Employees must choose a provider from the panel; otherwise, they risk losing coverage under the TWCL.

The TWCL requires employers to pay the cost of any procedure that an injured employee's treating physician determines is reasonable and necessary to treat the work-related injury. Medical expenses must be paid within 30 days after receiving a properly submitted bill, except any portion that an employer disputes within 15 days of receipt. Employers must also provide copies of any medical records upon an employee's request.

PAYMENT OF BENEFITS

Employers (or their insurance carriers, if applicable) must pay compensation for an injured employee's lost work time within **15 days** after receiving notice of the disability. Ongoing disability benefits must be paid thereafter on a semi-monthly basis.

CLAIM REPORTING REQUIREMENTS

The TWCL requires employers to provide certain notices to the TBWC. Failure to comply with the filing requirements may result in penalties.

The table below provides an overview of employers' filing obligations.

Form	Form Title	Notice Requirement	Additional Instructions
Form C-22	Notice of First Payment of Compensation	Immediately upon first paying benefits	Final due date to avoid a penalty depends on the length of the employee's absence, if any, from work
Form C-23	Notice of Denial of Benefits	Immediately upon denying a claim	Must be received by the TBWC within 10 days of the denial to avoid a penalty
Form C-41	Wage Statement	Must be filed along with Form C-22 or Form C-23	Must include gross earnings for the 52 weeks prior to the injury
Form C-26	Notice of Change or Termination of Benefits	Due immediately upon changing or omitting payments for any reason other than final settlement	Must be received by the TBWC within 15 days of the change to avoid a penalty
Form C-27	Notice of Controversy	Due within 15 days of the last payment	Required if the employer pays benefits, but subsequently elects to dispute liability

SAFETY PLANS

The TWCL requires employers that have an experience modification factor or rate applied to the premium of 1.20 or more to establish and administer a safety committee under TWCL rules. The safety committee must hold regular safety meetings, conduct workplace inspections and make recommendations for improving the employer's accident and illness prevention program.

MORE INFORMATION

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

This guide is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice. It is provided for general informational purposes only. Readers should contact legal counsel for legal advice. © 2021 Zywave, Inc. All rights reserved.