

What is Workers Compensation Insurance?

Workers Compensation covers the medical expenses and lost income of your employees if they are hurt in the course of doing work-related activities. It is important for financial and hedge fund companies to have Workers Compensation in all the states in which they have employees.

When is Workers Compensation Insurance needed?

Workers Compensation coverage is required in all states as soon as you hire W-2 employees. 1099 contractors must show evidence of their own Workers Compensation, or you are obligated to cover them too.

Why do I need Workers Compensation Insurance?

If you send one of your employees to deliver something to a client, and on the way the employee is involved in a car accident and breaks his leg, your Workers Compensation insurance will pay for that employee's medical bills, disability, and possibly, pain and suffering.

Workers Compensation claims involving Ergonomics (carpal tunnel syndrome and other muscular/skeletal conditions caused by posture) are on the rise. Overall, most employee related accidents are automobile accidents.

Recovery of Damages

A woman, who fell and was injured while working in a gift shop, and her husband appealed from a trial court judgment that her employer's general liability insurance was not available to them for recovery of damages by virtue of the following exclusion:

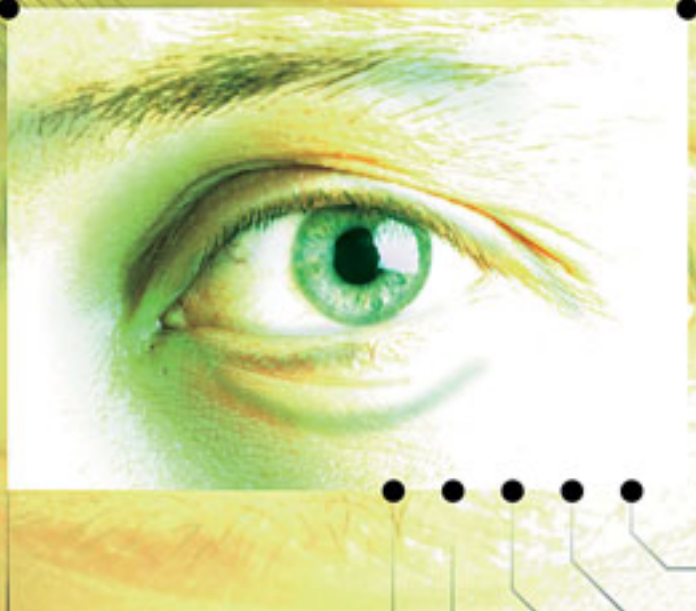
"This insurance does not apply to bodily injury to any employee of the insured arising out of and in the course of his (her) employment by the insured or to any obligation of the insured to indemnify another because of the damage arising out of such injury."

The claimants argued that the employer, by failure to carry workers compensation insurance, waived the exclusive remedy afforded by the Pennsylvania Workers Compensation Act..."and have thereby exposed themselves and their general liability carrier...to private claims for damages." They relied on *Harleysville v. Wozniak*, Pa. Super., 500 A.2d 872 (1985) in support of their contention that the general liability insurance was applicable.

The appeal court noted that the cited case affirmed the applicability of "no-fault" automobile insurance to an employee who was injured while driving a vehicle owned by his employer. The Pennsylvania No-Fault Motor Vehicle Insurance Act made provision for payment of basic benefits in such circumstances if the employer did not carry workers compensation insurance.

The court rejected the claimants' argument forthrightly. It found it extremely unreasonable to equate, in the face of the absence of workers compensation insurance, no-fault auto insurance, under which provision is specifically made for coverage of an employee, and general liability insurance, under which on-the-job injuries are specifically excluded.

For this reason and its finding that the general liability exclusionary language was not void as against public policy, the court concluded that the employer's general liability insurance was not available to the claimants. It made clear, however, that its decision did not preclude them "from seeking damages directly from the employer..."



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InsureHedge is a division of Gaston & Associates, Inc., a fourth generation family held independent insurance agency with a history dating to 1895. InsureHedge's marketing territory is national (and international) in scope, and we hold property-casualty and life-health licenses in all states except Hawaii.

InsureHedge is a risk management division focused exclusively on the unique coverage needs of financial exposures, and represents many leading companies in the financial community in a wide variety of ways. These range from ordinary business insurance responsibilities to the implementation of sophisticated retention plans to address the disproportionate relationship between high salaries and low exposure in the workers compensation needs of financial companies.

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- ✓ We strive to develop a customer base that will appreciate our service orientation and value added approach.
- ✓ We provide our clients with competitive, high quality insurance oriented products.
- ✓ We endeavor to maintain long-term customer relationships that are based on coverage and service.
- ✓ We embrace automation as a means to enhance service and improve communication.

To accomplish these goals, we establish departments, standards, workflows and procedures that enable us to provide a consistently high level of service to our customers. We staff each department with competent, ethical, individuals who are dedicated to continuing education and professional development.

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