



The Workers' Compensation Handbook For New Mexico

Booklet A1: Workers' Compensation Quick Facts

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“Workers’ Compensation Quick Facts” contains basic information about the workers’ compensation system in New Mexico, to help employers and workers get started understanding what workers' compensation is and how the system works.

“Workers’ Compensation Quick Facts” is the introduction to the series, *The Workers’ Compensation Handbook for New Mexico*. The topics mentioned here are explained in other booklets. For more information about any subject, refer to the correct booklet. The booklets are available free of charge from all offices of the Workers' Compensation Administration (WCA). See the list of offices at the back of this booklet.

The booklets are also downloadable from the Internet web site of the WCA. The address is www.workerscomp.state.nm.us.

What is workers' compensation?

Workers' compensation is a system of insurance that helps take care of people when they are injured at work or become sick as a result of work. If this happens, the employer must provide two things:

- health care for the injury or illness;
- indemnity benefits (money directly to the worker) as a partial substitute for lost wages, if the worker is unable to work for a period of time due to the injury or illness.

Workers' compensation is primarily a private insurance system. Most employers buy an insurance policy and pay premiums to an insurance company. The insurance company pays the medical bills and indemnity benefits when an injured worker has a claim. Some large businesses and government agencies, with state approval, administer their own programs and pay their own claims. These are called self-insured.

Workers' compensation protects both workers and employers. Workers are protected because they will receive benefits no matter what caused their accident, and employers are protected because their costs are limited to the benefits set out in the law.

The workers' compensation system recognizes that it's best for everyone if workers go back to work after their injury as soon as they can. Indemnity benefits help injured workers take care of themselves and their families while they are recovering, but they are not a bonus.

The system is intended to prevent costly lawsuits to decide who was responsible for causing an injury. If an injury or illness is covered under the workers' compensation system, the employer is financially responsible for paying the costs.

Workers' compensation insurance can be expensive. Keeping the cost down is up to the employer, management, and all workers. The best way to keep the cost down is for workers and employers all to do their part for safety.

The WCA regulates the system. The WCA is the court where disputes about claims are heard and resolved. Most disputes are resolved quickly through mediation. The WCA acts as a regulator to make sure employers have coverage. It has programs to provide information on claims and safety and to investigate charges of fraud and unfairness.

Every employer should know...

- Almost all employers in New Mexico are required by law to have workers' compensation insurance coverage for their employees. New Mexico workers' compensation law says that all employers employing 3 or more workers must have coverage, except that in the construction industry, all employers must have coverage regardless of the number of employees. For a detailed explanation including exceptions and exemptions, see Booklet A3, "The Workers' Compensation Coverage Guide for Employers and Insurance Agents."
- Once the insurance is obtained, there are certain things you should do right away. Don't just put your policy in a drawer. Read Booklet A2, "Setting Up a Workers' Compensation Program," and the information sent by your insurer.
- Workers' compensation insurance pays 100 percent of the authorized medical expenses for a worker injured on the job or as a result of occupational disease. The worker is not to pay anything. Your workers' compensation insurer pays these expenses, even if you have a "large-deductible" policy.
- For workers who are out of work more than 7 days because of on-the-job injury or occupational disease, workers' compensation provides indemnity benefits to help support the worker while he is unable to earn his pay. Your workers' compensation insurance carrier makes those payments.
- Workers' compensation protects you by limiting your liability for work-related injuries. Once you are covered by workers' compensation, an injured worker cannot sue you except under the provisions of the Workers' Compensation Act.
- You probably have received materials from your insurer or self-insurance program. The packet of materials contains important instructions that you should read now. Find the packet, read through it, and make sure several key people know where this information is filed.
- The WCA provides Workers' Compensation Act posters and Notice of Accident forms. You are required by law to post the poster and place the forms where your workers can see them. Your insurer or self-insurance program may have these materials for you. If not, call the WCA. See the list of offices at the end of this booklet.
- If you fail to provide appropriate safety equipment or procedures, and a worker is injured, the worker may be entitled to extra indemnity benefits. This extra benefit normally must be paid directly by you, not by your insurance company.

Every worker should know...

- If you are injured on the job or become disabled by an occupational disease, your employer must pay all your authorized medical expenses.
- You are required to notify your employer or supervisor in writing of any accident at work, within 15 days of the accident. It is best to notify your employer or supervisor as soon as you can.
- If you lose more than 7 days of work because of an injury or occupational disease covered by workers' compensation, your employer must provide indemnity benefits, money to you to substitute for part of your lost wages. The indemnity benefits are never as much as your regular pay.
- The medical expenses and indemnity benefits are paid by the employer's insurance company or self-insurance program. This money does not come from the state (except when the worker is a state government employee). The WCA does not pay these benefits.
- If your employer has provided a safety device and you did not use it, you could lose part of the indemnity benefits.
- If you have an accident under the influence of drugs or alcohol, or cause an accident on purpose, you could lose part or all of the benefits, both medical and indemnity.
- You cannot be paid off in a single big check while you are still out of work. The insurance company or self-insurance program is not allowed to pay off your claim until you have been back at work for 6 months and other requirements are met.
- Indemnity benefits are paid only for a certain period of time. You should plan to go back to work as soon as you are able.

The rules that govern new workers' compensation claims are based on New Mexico law. Law changes from time to time due to acts of the Legislature and decisions by the state's higher courts. If you have a claim, your case will be governed by the law in effect at the time of your claim.

The Employer's Responsibilities

The following are employer responsibilities under law. Learn in detail about these responsibilities in Booklet A2, "Setting Up a Workers' Compensation Program."

- Buy workers' compensation insurance. The coverage requirement is explained in Booklet A3, "The Workers' Compensation Coverage Guide for Employers and Insurance Agents."
- Post the workers' compensation poster and Notice of Accident forms. You may receive these from your insurer or self-insurance program. If you do not, you can download the poster from the WCA web site or obtain one from the WCA. Notice of Accident forms must be on two-part paper so they are not downloadable.
- If your insurance premium is \$5,000 per year or greater, you are required to have an annual safety inspection, which may be performed by yourself as a self-inspection, by a consultant, by your insurer or self-insurance program, or by a WCA safety consultant. Booklet D1, "Annual Safety Inspections," sets out the minimum standards for your inspection.
- You must pay a tax called the workers' compensation personnel assessment fee. This tax is \$4,30 per employee per calendar quarter. It is filed with and paid to the Taxation and Revenue Department, separately from other taxes you pay. See Booklet A5, "Workers' Compensation Personnel Assessment Fee."
- If a worker has an accident, notify your insurer or self-insurance program. If the accident results in injury, submit the necessary paperwork to establish the claim.
- Establish a policy on health care provider selection. Either you will select the health care provider who will treat your injured workers for the first 60 days of care (exclusive of emergencies), or you will allow your employees to make their own selection. Inform your employees of this policy. See Booklet A2, "Setting Up a Workers' Compensation Program."

To control costs, prevent accidents.

Your insurance premium is based, in part, on your company's record of accidents.

- Develop a safety program and make sure it is followed. The WCA safety consultants can help you, free of charge.
- Provide training for hazardous work, especially for new or inexperienced workers.
- Enforce safety rules and practices.
- Enforce drug and alcohol rules. Provide help for drug and alcohol problems.

Prevent injuries from becoming costly.

- Help injured workers get proper medical care quickly.
- Stay in touch and let them know you care about them.
- Encourage them to get better and back to work quickly.
- Find opportunities to bring your employees back to work at whatever work they can do.

If an accident happens:

- If it is an emergency, get emergency care first.
- Then follow the guidelines in Booklet B1, "What to Do after an Accident."
- Notify your workers' compensation insurance carrier or self-insurance program within 72 hours of the time you learn of the accident.
- Your insurer or self-insurance program has probably sent you instructions for accident follow-up, investigation and reports. Look in the materials you have been given, or contact your insurer or self-insurance program.

You have additional duties, responsibilities and rights under workers' compensation law. Get a complete set of booklets of the *Workers' Compensation Handbook for New Mexico*, published by the WCA. Keep it in the office for reference. Read and follow the instructions for employers. Call the ombudsman program of the WCA if you have any questions.

The worker's responsibilities

- Work safely at all times. Take safety seriously. Find out your employer's emergency procedures. Your family and your co-workers depend on your safety.
- Learn what to do if an accident happens. Protect yourself and be able to help if another worker is injured.
- Take care of yourself and take care of other workers. If you see an unsafe work practice, do something about it.
- Don't go to work under the influence of illegal drugs or alcohol. Don't work around anybody who is drunk or using drugs.

If an accident happens:

- If it is an emergency, get help and emergency care first.
- Fill out a Notice of Accident form. Forms should be provided by your employer and posted where you work.
- Fill out the form any time you are in an accident, even if you don't think you were injured. If you can't find a copy of the form, ask. You must fill out the form (or give other notice in writing) within 15 days of the accident.
- If you are injured as a result of your accident, make sure your employer knows.
- Check with your employer before you get any medical care except emergency care. Your employer has the right to choose a doctor for you at this time or to allow you to choose. Tell all doctors this was a work-related injury.
- Find out more about workers' compensation and your rights and responsibilities. You may need information from other booklets of the *Workers' Compensation Handbook* or the *Workbook for Injured Workers*. See the list of booklets at the back of this booklet.

The Workers' Compensation Administration is here to help

The WCA is a New Mexico state government agency, with a staff of claims information specialists (called ombudsmen), mediators, administrative law judges, safety consultants and others. The WCA's job is to help make the system function fairly and cost-effectively for all New Mexico workers and employers.

The WCA functions in three general areas: information and assistance, regulation and adjudication.

Information and Assistance

Personal assistance with claims

The OMBUDSMAN program. WCA ombudsmen provide information and help clear up problems about workers' compensation. Any person can call the ombudsmen, with any question about workers' compensation (unless you are represented by a lawyer). They can discuss the problem over the phone, with a toll-free phone call from anywhere in New Mexico. Ombudsmen are on staff at all WCA offices.

Safety consultation

WCA safety consultants provide safety services free on request. They make on-site visits to businesses on request and help employers and managers develop and

implement their own safety programs. The consultants are available to help you with your safety program in whatever way you need. Services include safety consultations, training, inspections (including mandatory annual inspections for larger businesses) and program design and implementation.

Seminars and outreach visits

Several WCA bureaus provide educational services to employer and worker groups. Seminar programs include those scheduled by the WCA and those given on the invitation of businesses, business groups and civic organizations throughout the state. Special seminar programs can be arranged for professional interest groups such as health care providers and insurance agents.

The WCA participates in a multi-agency seminar program, in Albuquerque only, for new business owners. This program provides information from several state and federal regulatory agencies. It is hosted by the New Mexico Taxation and Revenue Department. See the WCA web site at www.workerscomp.state.nm.us for current schedules.

Publications

This booklet is one of a series entitled *The Workers' Compensation Handbook for New Mexico*. The booklets are written to provide in-depth information for employers and workers. A complete list of booklets is in the back of this booklet. More information about other WCA publications is on the page titled "Help from the WCA."

Employers without workers' compensation coverage

If an employer is required to have workers' compensation insurance coverage and does not have it, the WCA can take action to enforce the requirement.

Any person may report an employer who is suspected of being illegally without coverage. Call any office of the WCA. See phone numbers on the back page of this booklet.

Benefits for employees of illegally uninsured employers

If an employer is illegally uninsured, and a worker is injured, the worker may qualify for benefits through a program administered by the WCA called the Uninsured Employers' Fund. The WCA will then collect the full cost of all benefits, plus a substantial penalty, from the illegally uninsured employers. Workers can contact the ombudsman program at any office of the WCA.

Help from the Workers' Compensation Administration

(See the list of offices and telephone numbers on the back page of this booklet)

WCA publications

You can get publications from any office of the WCA. Go to an office or telephone to request publications by mail. Most publications are also downloadable from the WCA web site.

Workbook for Injured Workers is a book written just for workers. It explains the claims process in a relatively simple, easy to understand way, telling you your rights and responsibilities. It contains forms that you can use to keep track of your claims.

Employer's Guide to New Mexico Workers' Compensation is written just for employers and gives information addressed to the employer in a simplified format.

The Workers' Compensation Handbook for New Mexico (the booklets in this series) are more detailed, containing more information than the *Workbook* or *Employer's Guide*.

The Stay at Work/Return to Work Program Guide is written for employers and contains model policies and practices to help employers minimize the need for workers to remain out of work.

Some WCA publications are available in Spanish.

Personal contact

WCA offices: The state headquarters are located in Albuquerque. Field offices are in Farmington, Las Cruces, Las Vegas, Lovington, Roswell and Santa Fe. See list on the back page.

Speakers and seminars: Several bureaus of the WCA provide speakers to talk to employer and worker groups. Contact your nearest office.

The WCA ombudsmen provide information and help clear up problems about workers' compensation. Any person, employer or worker, can call the ombudsmen, with any question about workers' compensation (unless you are represented by a lawyer in your case). Some ombudsmen speak Spanish.

The Employer Compliance Bureau works with employers to ensure that those who are required to have coverage do have it.

WCA web site

www.workerscomp.state.nm.us

Most publications can be downloaded from the WCA web site.

Workers' Compensation Handbook List of Booklets

This list shows new titles and numbering system that will be in effect when the 2007 revision is completed. Some booklets are eliminated and others are renumbered. There are some changes from the pre-2007 editions of the booklets.

To get the information you need:

Contact any office of the Workers' Compensation Administration for printed copies OR

All booklets can be downloaded from the Workers' Compensation Administration web site at www.workerscomp.state.nm.us

Booklet A1(E)	Workers' Compensation Quick Facts- English
Booklet A1(S)	Compensación A Los Trabajadores Informes Básicos (Spanish)
Booklet A2	Setting Up a Workers' Compensation Program
Booklet A3	The Workers' Compensation Coverage Guide for Employers and Insurance Agents
Booklet A4	Uninsured Employers' Fund
Booklet A5	Workers' Compensation Personnel Assessment Fee (WC-1)
Booklet B1	What to Do after an Accident
Booklet B2	Benefits for Workers While They Cannot Work
Booklet B3	Going Back to Work
Booklet B4	Medical Care in Workers' Compensation
(B5 and B6 will be discontinued)	
Booklet B7	Información del sistema compensativo para los empleados (Spanish)
Booklet B8	Quick Facts for Health Care Providers
Booklet C1	When You Need Help with a Workers' Compensation Claim
Booklet C2	What to Do In Response to "Bad Acts"
(C3 through 5 will be discontinued)	
Booklet D1	Annual Safety Inspections
Booklet D2	How to Develop a Safety Program (published by the Advisory Council on Workers' Compensation and Occupational Disease Disablement)

(On the web site, look under Employers)

- E3 Guide to Completing and Filing Paper Copy for Employers' First Report of Injury or Illness (Form E1.2) and Notice of Benefit Payment (Form E6.2)
- E4 EDI Guide to Completing the Employers' First Report of Injury or Illness (Form E1.2) and Notice of Benefit Payment (Form E6.2) — limited to certified electronic filers

Other publications

Health Care Provider Guide to New Mexico Workers' Compensation
Guidebook for Employers in New Mexico (English and Spanish)
Workbook for Injured Workers (English/ Spanish edition soon to be published)
The Stay at Work/Return to Work Program Guide

NEW MEXICO WORKERS' COMPENSATION ADMINISTRATION

STATE HEADQUARTERS

Mailing Address: Workers' Compensation Administration
PO Box 27198, Albuquerque NM 87125

Location: 2410 Centre Avenue SE (near Yale-Gibson intersection)

In-state toll-free phone: 1-800-255-7965

Local phone 841-6000

REGIONAL OFFICES:

Southeastern regional office at Lovington:

100 West Central, Lovington, NM 88260

Telephone: 575-396-3437

In-state toll-free phone: 1-800-934-2450

Southwestern regional office at Las Cruces:

1120 Commerce Drive, Suite B-1, Las Cruces, NM 88011

Telephone: 575-524-6246

In-state toll-free phone: 1-800-870-6826

Northwestern regional office at Farmington:

3535 East 30th Street, Farmington, NM 87401

Telephone: 505-599-9746

In-state toll-free phone: 1-800-568-7310

Northeastern regional office at Las Vegas :

2515-2 Ridge Runner Road, Las Vegas NM 87701

Moving in 2008 to: 32 New Mexico 65, Las Vegas NM 87701

Telephone: 505-454-9251

In-state toll-free phone: 1-800-281-7889

Roswell Office:

Penn Plaza Bldg., 400 N. Pennsylvania Ave., Ste. 425, Roswell NM 88201

Telephone: 575-623-3781

In-state toll-free phone: 1-866-311-8587

Santa Fe Office:

810 West San Mateo, Suite A-2, Santa Fe, NM 87505

Telephone: 505-476-7381

Internet web site address: <http://www.workerscomp.state.nm.us/>

HELP & HOTLINE: 1-866-WORKOMP / 1-866-967-5667

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