



**Mondics
Insurance
Group, Inc.**

**Texas Workers'
Compensation Insurance
and Non-Subscribers:
Are You Exposed? Are You
Covered?**

SHOULD I CARRY ON-THE-JOB INJURY COVERAGE FOR MY AGENTS AND EMPLOYEES?

Typical claims are automobile accidents and slips and falls.

WHAT IS HAPPENING IN OTHER STATES SUCH AS CALIFORNIA?

DYNAMEX
ZIPREALTY
OWNERS.COM

UBER UNINTENDED CONSEQUENCES ON ALL IC'S

ABC RULE

You do not direct or control how a worker performs or accomplishes the work desired.

The work performed is outside of the hiring entities' main business, such as an electrician that comes to fix a light switch in your office.

The worker is customarily engaged in an independently established trade occupation or business.

OPTIONS FOR COVERAGE IN TEXAS:

Workers Compensation v. Non Subscription

WHAT IS WORKERS COMPENSATION?

State regulated system that covers medical bills and some lost wages for employees injured on the job. If purchased, workers compensation Texas law limits the employers' liability for work-related injuries.

WHAT IS NON SUBSCRIPTION?

An employer declines to participate in the work compensation system and typically purchases some type of accident and health insurance covering medical bills and lost wages and accidental death and dismemberment coverage.

DIFFERENCE IN COVERAGE

Workers Compensation v. Non Subscription

There are many. If an injured worker can prove negligence on the part of the employer, the employer could be subject to damage awards including punitive damages. Non subscribers also lose three important common law defenses:

- **Employees Negligence**
- **Fellow Employee Caused the Injury**
- **Assumption of Risk /Danger**

DO I HAVE TO FILE A NOTICE OF NON COVERAGE?

WHO MUST FILE THE DWC FORM-005?

You must file the DWC Form-005 if you do not have workers compensation insurance, or you have terminated your workers compensation insurance coverage.

However, if your only employees are exempt from coverage under the Texas Workers Compensation Act (for example, certain domestic workers, and certain farm and ranch workers) you do not have to file.

Failure to file the form when required may subject the employer to administrative penalties.

DO I HAVE TO FILE A NOTICE OF NON COVERAGE?

WHEN DO I FILE THE DWC FORM-005?

You must file a separate DWC Form-005 each time one of the following conditions exists:

- **Annually** between February 1st and April 30th of each calendar year
- **Within 30 Days** of hiring your first employee, unless this due date falls between February 1st and April 30th and you submit the form within this time period.
- **Within 10 Days** of receiving a request (to file the DWC Form-005) from DWC.



Texas Department of Insurance

Division of Workers' Compensation - Insurance Coverage (MS-96)
7551 Metro Center Drive, Suite 100, Austin, Texas 78744-1645
(800) 252-7031 | F: (512) 804-4146 | TDI.texas.gov | @TexasTDI

DWC005

Submit Form

Employer Notice of No Coverage or Termination of Coverage

La versión en español está disponible en <http://www.tdi.texas.gov/forms/dwc/dwc005snocov.pdf>

I. EFFECTIVE DATES (The effective dates cannot exceed a one-year period)

The election selected below is effective from (mm/dd/yyyy) to (mm/dd/yyyy).

II. STATEMENT OF NO COVERAGE

1. SELECT ONE

☐ The employer named below **DOES NOT HAVE** workers' compensation insurance coverage, pursuant to the Texas Workers' Compensation Act, Texas Labor Code, Section 406.004.

OR

☐ The employer named below **HAS TERMINATED** workers' compensation insurance coverage, pursuant to the Texas Workers' Compensation Act, Texas Labor Code, Section 406.007. (Provide the following information.)

Policy terminated effective (mm/dd/yyyy):

Policy number:

Insurance company:

Insurer informed of termination on (mm/dd/yyyy):

Employees were (or will be) notified on (mm/dd/yyyy):

III. STATEMENT OF REPORTABLE INJURIES OR DISEASES

2. Did you have any death, injury that resulted in the injured employee's absence from work for more than one day, or knowledge of an occupational disease since your last *Employer Notice of No Coverage or Termination of Coverage*? ☐ Yes ☐ No

If your response is "Yes", you may be required to file a DWC Form-007, *Non-covered Employer's Report of Occupational Injury or Illness*. (See the Frequently Asked Questions section of this form.)

IV. PRIMARY EMPLOYER INFORMATION

3. Employer Business Name	4. Federal Employer ID Number
<input type="text"/>	<input type="text"/>
5. Employer Business Mailing Address (Street or PO Box, City State Zip)	
<input type="text"/>	<input type="text"/>
6. Employer Business Type	7. Six-Digit NAICS Code
<input type="text"/>	<input type="text"/>

NOTE: You must provide name, Federal Employer ID number and address of each Texas business location, subsidiary, or separate entity of the primary employer covered by this report.

Row	Name	Federal Employer ID Number	Address
Next Row			Street or PO Box
			City State Zip Code
Delete			<input type="text"/>

V. PERSON PROVIDING INFORMATION

8. Name	9. Telephone Number (area code, number, extension)	For TDI-DWC Use Only
10. Title	11. E-mail Address	
12. Signature	13. Date of Signature (mm/dd/yyyy)	

DO I HAVE TO FILE
A NOTICE OF NON
COVERAGE?

[https://www.tdi.texas.gov/forms/
dwc/dwc005nocovst.pdf](https://www.tdi.texas.gov/forms/dwc/dwc005nocovst.pdf)

DO I HAVE TO FILE A NOTICE OF NON COVERAGE?

HOW DO I DETERMINE MY FILING START DATE? USE MAY 1 UNLESS:

1. You have never filed a DWC Form-005, then the start date is the first day you did not have coverage (see either #2 or #3 to determine the specific date).
2. You terminated workers' compensation insurance coverage, then the start date is the first date you did not have coverage.
3. You hired your first employee, then the start date is the first day the employee started working.

DO I HAVE TO FILE A NOTICE OF NON COVERAGE?

HOW DO I DETERMINE MY FILING PERIOD END DATE? USE APRIL 30, UNLESS:

You purchased, or plan to purchase a workers' compensation insurance policy, then the End Date is the last date you did not, or will not, have coverage.

HOW/WHEN MUST A NON-SUBSCRIBER NOTIFY EMPLOYEES THAT WORKERS' COMPENSATION COVERAGE IS NOT PROVIDED?

You must post the Notice to Employees Concerning Workers Compensation in Texas in the workplace in English, Spanish and any other language common to the employer's employee population in the print type specified by DWC rules whenever you:

1. Elect to not have workers' compensation insurance;
2. Cancel or terminate workers' compensation insurance;
3. Withdraw from certified self-insurance; or
4. Have workers' compensation coverage canceled by the insurance company.

HOW/WHEN MUST A NON-SUBSCRIBER NOTIFY EMPLOYEES THAT WORKERS COMPENSATION COVERAGE IS NOT PROVIDED?

You must also provide this notice to each employee:

1. At the time of hire;
2. When the employer elects to not have workers' compensation insurance;
3. Within 15 days of notification to the insurance carrier that the employer is terminating coverage unless the employer maintains continuous coverage under a new policy or becomes a certified self-insurer; or
4. Within 15 days of cancellation by the insurance company.

PRICING ILLUSTRATION OF WORKERS COMPENSATION

Account: Real Estate Agency

Agent: MONDICS INSURANCE GROUP INC

Effective Date: 07/31/2019 - 07/31/2020

Workers' Compensation Premium **\$631.00**

Terrorism **\$67.00**

Total Quoted Premium **\$698.00**

Total Account Payroll: **\$280,000**

Premium is based on estimated payroll and subject to annual audit.

PRICING ILLUSTRATION OF WORKERS COMPENSATION

Account: Real Estate Agency

Agent: MONDICS INSURANCE GROUP INC

Effective Date: 07/31/2019 - 07/31/2020

Workers' Compensation States Covered: **Texas**

LIMITS OF INSURANCE

Coverage A – Workers' Compensation Statutory

Coverage B – Employer's Liability

Bodily Injury by Accident \$1,000,000 each accident

Bodily Injury by Disease \$1,000,000 policy limit

Bodily Injury by Disease \$1,000,000 each employee

Coverage C - Other States Except: ND, OH, WA, WY

PRICING ILLUSTRATION OF WORKERS COMPENSATION

8742 Real Estate Agency	\$0.08	250,000	\$200
8810 Clerical Office Employees	\$0.04	30,000	\$12
Total Class Premium \$212			
Increase Limits (.014) (Basis: 212)			\$3
Minimum Difference			\$ 147
Total Subject Premium \$362			
Schedule Modification (.08) (Basis: 362)			\$29
Health Care Network Credit (-.05) (Basis: 391)			-\$20
Standard Total Premium			\$371
Expense Constant			\$260
Terrorism (.024 per \$100 of Payroll) (Basis: 280,000)			\$67
Total State Premium \$698			

Q&A



Have questions? We've got answers.

GET IN TOUCH

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