



# Nonsubscription Guide

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**Occupational Injury Coverage**

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# Who We Are

Combined Group has been a trusted advisor of retail agents for over three decades. Retail agents look to Combined's Texas Non-Subscriber expertise to help guide them to make decisions in the best interest of their clients. We are continually looking to improve our Texas Nonsubscriber Program service and offerings, making it easy and secure for agents to work with us.

## **Our Nonsubscription program provides:**

- Underwriting, Risk Evaluation & Coverage Placement
- Claims Administration (TPA) & Advocacy
- Loss Prevention / Safety Program Review
- Program Design / Implementation
- Texas Injury Benefit Plans ('Benefit Plan')

## **Carriers**

- Old Republic Union (A.M. Best Rating A+ XV)
- American Fidelity (A.M. Best Rating A+ VIII)

**More about Texas Nonsubscriber at:**  
**<https://combinedgroup.com/about-nonsubscription>**

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# What is Nonsubscription?

Texas is unique among the states in allowing employers to not participate (non-subscribe) in the Workers' Compensation system. Legal authority for this employer option resides in the original Workmen's Compensation act passed in 1913. That language remains unchanged and is the basis for today's Nonsubscription products. The act provides that if an employer elects to non-subscribe he must give up certain common law defenses to suits for negligence. These certain defenses are not relevant in today's legal climate though. Also, the loss of these defenses does not remove the employee's burden of proof as to their injury being incurred during the course and scope of employment and as to the injury being due to the negligence of the employer.

Our products and services provide indemnity for an employer's expenses under an ERISA employee welfare plan designed to provide maximum employer control of claims cost, administration, and choice of medical and service providers. Subject to a binding arbitration provision, these policies also provide defense and legal liability expense coverage for suits in Federal court for ERISA benefits and in State court.

TEXAS NONSUBSCRIPTION	
<b>Waiting Period</b>	5 Day Waiting Period (Employer Selected)
<b>AD&amp;D</b>	Typically \$150,000 Death Benefit
<b>Medical Costs</b>	100% Medical for Employer Selected Number of Weeks ( <i>typically 156 Weeks</i> )
<b>Wage Replacement</b>	85-90% with Employer Selected Weekly Maximum ( <i>typically \$600-\$1,000</i> )
<b>Medical Period Limit</b>	Typically 156 Weeks- Employer Selected
<b>Reporting Period</b>	End of shift or 24 hours- Employer Selected
<b>Length of Claims</b>	Claims typically close in less than two years
No 'exclusive remedy' of Workers' Compensation; subject to negligence claims.	

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# The Advantages

- Best in class doctors & specialists
- Create customized medical network
- Paradigm shift
- It's all about taking care of your teammates

Employee  
Care



- Eliminate over-utilization of 'Doc in the box'
  - Physical therapy
  - Diagnostic testing
- Medical compliance (must attend appointments)
- No chiropractic

Control of  
Claims



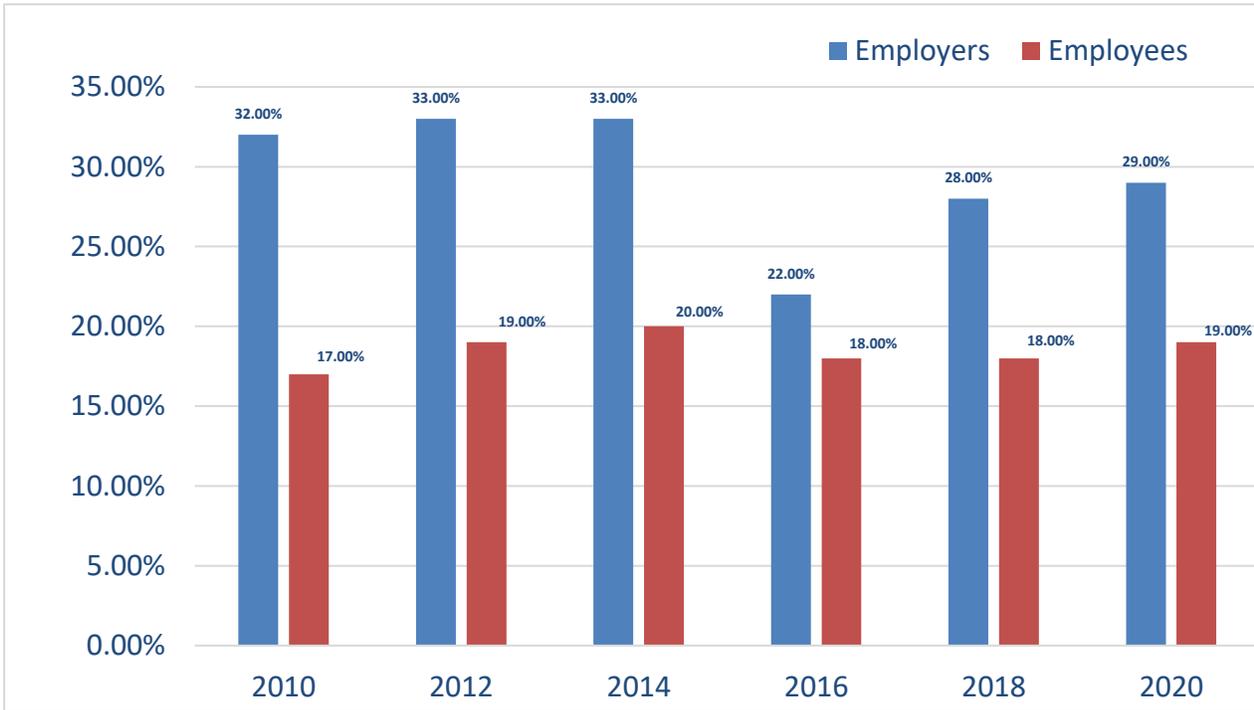
- No collateral
- 25% - 50% claims + insurance savings
- Eliminate fraudulent, unwitnessed claims

Cost  
Savings



# Texas Nonsubscribers

Percentage of Texas Employers That Are Nonsubscribers and the Percentage of Texas Employees Who Are Employed by Nonsubscribers



Percentage of Texas Employers That Are Nonsubscribers by Employment Size

Employment Size	2010	2012	2014	2016	2018	2020
1-4 Employees	41%	41%	43%	31%	36%	40%
5-9 Employees	30%	29%	27%	19%	27%	21%
10-49 Employees	20%	19%	21%	10%	16%	16%
50-99 Employees	16%	19%	18%	10%	10%	9%
100-499 Employees	13%	12%	14%	11%	10%	10%
500+ Employees	15%	17%	19%	19%	20%	22%

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# Anchor Claims

Anchor is a Third Party Claims Administrator with experience and exposure to complex Non-Subscription Claims. We pride ourselves in stating, “We are more than just Benefit Administrator, we are a full-service Claims Administrator.”

- Anchor has been handling Non-Subscription Claims since 1989
- Over 100,000+ Non-Subscription Claims handled
- Staff average of over 14.5 years of handling Non-Subscription Claims
- 3,000+ Litigated Claims handled in all venues (Arbitration, State, and Federal Courts)
- Full-Service Claims Administrator
- Dedicated Adjuster Program: Adjuster involved with our Customer’s development, customized service needs, Mediation/Arbitration attendance and daily claims administration

We understand the importance of taking care of your Employees through the Administration of your Injury Benefit Plan. However, we also understand the importance of Negligence and the type of Investigations that need to be done on **ALL** claims, so our Adjusters investigate all incidents.

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# Loss Prevention

Our goals in providing Risk Management services to our insureds are to train, educate, and provide information for the prevention of accidents. It is our mission to assist in identifying safety hazards before they result in an accident. Prevention of losses is the key to providing a safe work environment, protecting your workforce, and producing true savings for a Nonsubscriber.

We also provide analysis, trend reports, and Safety Plans based on historical loss data. Our team of Professional ARMs has years of experience, in all types of industries. They can identify problem areas and then put a Safety Plan in place.

## **Customized Safety Program**

A written safety program is a vital tool in all organizations, regardless of size or operation. First, it communicates an attitude from management regarding the safety effort and should include a statement of purpose and commitment to the safety of all employees. Second, it identifies areas in which safety must be considered, and acts as a blueprint for all safety activities. Finally, it is extremely important in providing a defense in the event of a serious employee injury as it can evidence that management was aware of hazards and had made a concerted effort to eliminate them. After conducting a comprehensive risk assessment for the client, Anchor Risk Management Services can assist in the design of a written safety and health program which is tailored to the client's specific operations and unique situations, and will help develop a plan for implementing the program activities.

# ERISA

The ERISA Plan that accompanies the Combined Group Policy is, in essence, the “agreement” that exists between the insured/employer and its employees, while the Policy is the agreement between the insured and the insurer. It is therefore critical that the coverages, exclusions, and terms of the ERISA Plan match exactly those of the Policy. Otherwise, the insured/employer risks promising benefits to its employees for which it does not have insurance (and any such payments also will not apply to its Policy’s self-insured retention). For that reason, an employer simply cannot continue to use an ERISA Plan modeled on the insurance policy from years ago without risking this “gap” between the old Plan and the new Policy’s provisions.

