

Chapter 7

Checkpoint 7.1

1. What percentage of workers is covered by workers' compensation insurance?

Answer: About 90%.

2. What is the purpose of workers' compensation insurance?

Answer: To provide medical and financial support for workers who are injured or made ill on the job.

3. How are workers' compensation benefits funded?

Answer: Employers pay premiums.

4. What is the typical benefit paid for workers' compensation?

Answer: Two-thirds of the worker's income for a specified time limit.

5. What does it mean to self-insure?

Answer: A business assumes the risk and pays its own claims; the company must be able to prove it has the financial capability to do so.

Checkpoint 7.2

1. What is the purpose of unemployment insurance?

Answer: To replace part of an unemployed worker's income while he or she looks for another job.

2. How is unemployment insurance funded?

Answer: Through state and federal taxes paid by the employer.

3. What is the state's role in administration of unemployment insurance?

Answer: States collect taxes, make payments, determine eligibility, set the benefit amount, and set benefit duration.

4. What is the general eligibility requirement for unemployment benefits?

Answer: Working four of the past five quarters.

5. Why might an unemployed worker be denied benefits?

Answer: Choosing to leave a job without a good cause, being fired for misconduct, not being available or able to work, refusing an

offer for work that suits the person's skills, or lying to get benefits.