



**STRONGER BUSINESS
STRONGER ILLINOIS**



ILLINOIS CHAMBER OF COMMERCE

Workers' Compensation

2018

Manual



Table of Contents

Chapter 1	Workers' Compensation in Illinois: An Overview	1
	General Principles of Illinois Workers' Compensation.....	1
	History of the Illinois Workers' Compensation Act.....	2
	Occupational Diseases.....	4
	Highlights of the 2011 Changes to the Act.....	4
Chapter 2	Illinois Workers' Compensation 101	7
	The Fundamentals.....	7
	Illinois Jurisdiction Required.....	7
	Jurisdiction May Exist in Multiple States.....	7
	Statute of Limitations for Employee Filing of Claims.....	7
	Exclusive Remedy.....	8
	Automatic Application of the Act.....	9
	Employer May Elect Coverage.....	10
	Employers Must Obtain Insurance or Qualify as Self-Insured.....	10
	Penalties and Liabilities for Failing to Provide Coverage.....	10
	Injured Workers' Benefit Fund.....	11
	Administration of the Workers' Compensation Act.....	12
	Basic Workers' Compensation Benefits.....	12
	Elements of a Compensable Accident.....	13
	Employer-Employee Relationship.....	14
	Accident.....	17
	"In the Course of" Employment.....	17
	"Arising out of" the Employment.....	19
	Accidents for Traveling Employees.....	24
Chapter 3	Notice Provisions - Employee/Employer	27
	Employee Notice Requirements.....	27
	Employer Notice to Employees Required.....	29
Chapter 4	Employer Involvement in Claims	31
	Preventative Measures.....	31
	Post-Incident and Post-Accident Reporting.....	34
	Accident Reports.....	35
	Accident Investigation.....	38
	Supervisor's Accident Investigation Report.....	40
	Other Tools for Accident Investigation.....	46
Chapter 5	Medical Benefits and Employer Tools	49
	Employer Responsibility to Provide Medical Care.....	49
	Employee Choice of Physician.....	49

Records, Reports and Requests.....	50
Prompt 30-Day Pay Requirements	51
Physical Examinations	52
Balance Billing Limited.....	55
Medical Fee Schedule.....	56
Utilization Review (UR).....	57
Preferred Provider Program	58
Managed Care	59
Employer Strategies and Tools Post-Accident	65
Electronic Billing and Payment of Medical Services	68
Other Section 8(a) Benefits	69

Chapter 6	Indemnity Benefits.....	71
	Average Weekly Wage Calculation	71
	Interim Disability Benefits.....	74
	Temporary Total Disability (TTD) Benefits.....	74
	Temporary Partial Disability (TPD) Benefits	75
	Maintenance Benefits	75
	Permanent Disability Benefits.....	75
	Permanent Partial Disability (PPD) Benefits.....	76
	Section 8(d)1: Wage Differential (Loss)	81
	Section 19(h): Subsequent Modification of Award	82
	Section 8(c): Disfigurement Benefits.....	82
	Permanent Total Disability (PTD) Benefits	82
	Calculation of PTD Benefits.....	83
	Section 8(e)18 Statutory Permanent Total Disability Benefits	83
	Second Injury Fund	84
	Death Benefits.....	84
	Burial Expenses.....	87
	Rate Adjustment Fund.....	87

Chapter 7	Penalties and Civil Liability for Employers.....	89
	Employer Penalties.....	89
	Section 19(l) Penalties.....	89
	Section 19(k) Penalties.....	90
	Section 16 Attorney’s Fees.....	90
	Defenses to the Assessment of Penalties and Attorney’s Fees.....	91
	Other Situations Where Penalties May Arise Against an Employer.....	91
	Civil Actions Against Employers	93

Chapter 8	Creating an Environment that Avoids and Minimizes Claims.....	95
	Self-Evaluation by Employers	95
	Prompt Action and Investigation.....	96

	Communication with Employees.....	97
	Settlement Discussions	98
	Written Settlement Offers.....	98
	Immediate Payment of Amputations	99
	Selecting Claims to Deny or Defend	100
Chapter 9	Employers and Claims Management.....	103
	Practical Considerations for Employers.....	103
	Claims Management Tools and Strategies.....	110
	Claim Administration by the Commission.....	115
	Initiating and Assigning an IWCC Case	117
	Arbitration Hearings	120
	Expedited Arbitration Hearings.....	121
	Settlement Contracts	125
Chapter 10	Subrogation Rights and Other Topics	131
	Reimbursement Right Under Third Party Action – Section 5.....	131
	Employer’s Civil Liability	132
	Workers’ Compensation Liability for Non-Employees	133
	Employer Challenge of Insurer Payments	134
	Workers’ Compensation Fraud	135
	Illinois Workers’ Compensation Fraud Investigation Unit.....	137
Appendix A	Illinois Workers’ Compensation Commission Forms	139
	Workers’ Compensation Poster.....	139
	Arbitration Case Management Information Sheet.....	140
	Illinois Form 45: Employer’s First Report of Injury	141
	Application for Adjustment of Claim (Application for Benefits)	142
	Rehabilitation Plan	144
	Settlement Contract Lump Sum Petition and Order	145
	Petition for Review of Arbitration Decision Under	
	Section 19(b-1) of the Act.....	147
	Petition for Review Under Section 19(h) or 8(a) of the Act	149
	Notice of PPP for Workers’ Compensation Medical Care	150
	Notice of Our Workers’ Compensation PPP	151
Appendix B	Suggested Employer Forms	152
	Accident/Incident Report	152
	Employee Referral and Authorization	154
	Supervisor’s Observation Report	155
	Supervisor’s Accident Investigation Report.....	156