

## 7 Steps to Control Your Workers' Compensation Costs

Workers' compensation laws and regulations increase in volume and complexity each year. As a result, employers have grown accustomed to letting their insurance company control the cases and the costs.

A recent study by the Workers' Compensation Insurance Rating Bureau shows 75% of premium and investment income was spent on claims costs. This includes disability benefits, medical care, and vocational rehabilitation costs.

**Here are 7 steps you can take that can have a direct impact on your Workers' Compensation Insurance costs:**

- 1. Match the applicant carefully to the job. Base the match on the applicant's skill and abilities:** Your careful hiring practices can go a long way toward reducing your costs. The department of Fair Employment and Housing has brochures, which can guide you in conducting job interviews. Note: Discrimination because of a handicap is unlawful.
- 2. Make safety a priority on the job every day:** A safe workplace can lower your claims cost. It is far cheaper to prevent an accident than to pay for one. Loss control staff can assist you in providing a safe and healthy workplace for your employees by designing safety programs relevant to your business operation.
- 3. Fix dangerous conditions immediately:** When you become aware of a hazard on the job site, repair it. Your failure to do so could result in a "Serious and Willful Misconduct" suit against you, which carries severe penalties. These penalties would be paid by you, not your carrier.
- 4. Train supervisors:** In workers' compensation law, supervisors are included in the definition of "employer." A supervisor's failure to follow the law counts against you. Share this information with your supervisors and make sure they know all that is required of employers.
- 5. Report employee injuries:** As soon as you are aware of an injury, notify your carrier by completing and sending the Employer's Report of Occupational Injury and Illness. The report requires you to provide information such as the nature of your business, the type of employee injury or illness, and how it occurred. Your complete statements in each of these sections are necessary in order to determine the appropriate benefits. For example, information about your employee's work hours and salary are needed to compute benefit payments. Please don't leave

any sections blank. Many companies have a 24- hour Claims Reporting Center. Check your policy or call our office for details. .

**6. Provide the employee claim form:** You are required to provide the employee with an Employee's Claim for Workers' Compensation Benefits form within one working day of learning of an injury. The employee should return the completed form to you. When you receive the employee's claim form make sure you sign and date it. You must then immediately forward the original to your carrier. The first indemnity payment must be made within 14 days of your knowledge of a disabling injury. Failure to provide timely benefits may result in a penalty. The penalty may be charged back to you, the employer, if it is determined that you did not file the claim form with your carrier on time.

*Note: Be aware that signing the employer's report and the employee's benefits does not constitute acceptance of a claim.*

**7. Consider an Early Return to Work Program:** An ERTW program can help bring your injured employee safely back to work as early as possible. This transitional job is adjusted to accommodate the employee's improving condition until he/she can return to his/her usual duties. Your costs are reduced; your employee can return to a self-supporting status; everybody benefits. Doesn't that make good sense? Notify your adjuster or representative if you can provide a transitional modified/alternative job for your injured employee. Early Return to Work (ERTW) consultants will provide assistance in developing a program for your business.

***Communicate with your employees. Show them you care about their Well – being. If an employee is injured, stay in touch throughout his or her recuperation***

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