



Top Proven Strategies to Control Workers' Compensation Cost

John Eltringham, CIC, CPCU, CRM | Gene Nosovitch

Stories from the claim files...









Be Proactive

- ▶ Training & Education: Make it a core value
- ▶ Set up a safety program
- ▶ Conduct a safety audit
- ▶ Utilize your broker's risk management team

The background consists of a dense, overlapping pattern of blue pentagonal signs. Each sign has a white border and the words "SCAM" and "ALERT" printed in bold, blue, sans-serif capital letters. The signs are arranged in a way that they appear to be layered on top of each other, creating a sense of depth and repetition. A thin white horizontal line is positioned near the top of the image.

Prevent Fraudulent Claims

ABC News Story



Workers' Comp Statistics:

“Facts are stubborn things, but statistics are pliable” - Mark twain

National Statistics

\$42,500,412,000 Net Written Premium

9.8% Reduction from 2019

90.2% Combined Loss Ratio

1.9% increase from 2019

Travelers #1 writer with \$3.7B

144,407,000 Covered Workers

\$8.6B Covered Wages 2019

National Claims Data

\$4,764 Workplace Fatalities - 2020

\$63B Workers Compensation Benefits Paid 2019

\$31,000,000,000 Medical - 2019

\$31,800,000,000 Indemnity - 2019

Impact of Workers Comp Fraud

1-2% of All Workers Comp Claims are Fraudulent – Employers Ins. Report

@2% = \$1.26B Fraudulent Payments 2019

Additional Costs:

- ✓ Impact on Experience Mod Factor
- ✓ Investigation
- ✓ Depositions
- ✓ Training Replacement
- ✓ Additional labor Costs
- ✓ Time not Focused on Your Business



Workers Compensation Fraud Warning Signs

- ▶ Monday morning or start of shift injury reports. Alleged injury occurs first thing Monday morning or late on Friday and not reported until Monday.
- ▶ Employment Changes. Alleged injury occurs immediately before or after, job termination, layoff, conclusion of seasonal work.
- ▶ Suspicious Providers. EE's medical providers or legal consultants have a history of suspicious claims; Ask your claims adjuster
- ▶ No Witnesses. Additionally, the ee's own description does not support the cause of the injury.
- ▶ Conflicting Descriptions. The ee's description of the accident conflicts with injury report.

- ▶ History of Claims. The ee has a history of suspicious or litigated claims.
- ▶ Refusal of Treatment. The ee refuses a diagnostic procedure to confirm the nature or extent of the injury.
- ▶ Late Reporting. The ee delays reporting the claim without a reasonable explanation
- ▶ Claimant is Hard to Reach. EE is hard to reach at home or via cell.
- ▶ Frequent Changes. The ee frequently changes physicians, addresses and/or jobs.

Workers Compensation Fraud Warning Signs cont.

Employers Action Plan

**THEY SAY THE BEST OFFENSE
IS A GOOD DEFENSE.**

**FALSE. THE BEST OFFENSE
IS THE BEST OFFENSE.**

DIYLOL.COM

Action Plan to Reduce Cost



Report Claims Quickly – Require employees to immediately report a workplace injury and supervisors to the insurer within 3 days.



Promptly Investigate - Gather information from injured EE and other witnesses. Are there other sources of information such as video monitoring?



Accompany the injured EE to the medical provider when possible



Stay in contact with the medical provider



Stay in contact with the injured employee



Utilize a Physician Panel



Implement a Light Duty / Return to Work Program



Work with your brokers Risk Management Team.

And finally...

© Original Artist
Reproduction rights obtainable from
www.CartoonStock.com



"We know that communication is a problem, but the company is not going to discuss it with the employees."

**Communicate,
Communicate,
Communicate!**



Thank you