

What Can Be Done to Control Workers' Compensation Policy Costs?

The upfront cost of a workers' compensation policy is certainly an important factor when selecting an insurance provider. But when it comes to insurance, a workers' compensation carrier's focus on safety, fraud detection and prevention, managed care and claims management provides added value that better protects businesses for the future. The following factors may impact the cost and outcome of workers' compensation claims and the overall cost of workers' compensation insurance:

- **Early Reporting:** Timely reporting of any workplace-related accident or injury assists not only in the investigation of the cause, but also the development of safety measures to avoid similar occurrences.
- **Have a Pre-Arranged Medical Care Facility:** Having a pre-arranged medical facility can benefit your organization by helping you get your injured worker the care he or she needs and possibly back to work (when medically possible) faster. You can also request that this facility perform post-accident drug testing on all injured employees.
- **Creating an Alternate-Duty Work Description and Program:** Businesses that provide an alternate duty work program for their injured employees can help reduce their time away from work and may lower workers' compensation costs. In addition, this can help minimize the possibility for fraud and attorney involvement. Businesses should strive to provide alternate duty until full recovery by their injured employees, which reduces cost and time away from the employees' regular work.
- **Implementing a Successful and Cost-Effective Safety and Health Program:** Experience shows that with informed planning and proactive hazard analysis and controls, plus committed safety training and enforcement, workplace accidents and injuries can be reduced. By implementing an effective injury prevention program, businesses can increase productivity, reduce claim costs and ultimately reduce their experience modification factor.
- **Having Ongoing Pre-Injury Employee Education:** Pre-injury information educates employees on how to prevent or respond to a work-related injury. Educating employees improves their job satisfaction, and may reduce attorney involvement when a claim occurs. Education should be offered during new employee orientation and annually thereafter (group health enrollment sessions are a good time to present workers' compensation safety program elements to employees).
- **Keeping in Contact with Injured Workers:** Businesses who ensure that injured workers receive appropriate treatment and maintain compassionate contact during the recovery period (by sending cards/flowers, visiting and/or contacting the injured worker by phone) may improve worker satisfaction and reduce the chance of legal involvement in claims.
- **Separating Workspaces:** Premium costs can also be reduced by providing a separate workspace for clerical employees (away from production areas) and maintaining detailed, segregated payrolls by employee.

Brought to you by Granite Insurance Brokers

