

Safety Zone: Controlling Workers' Compensation Costs – What to do When an Injury Occurs

Prior to an accident occurring, specific procedures should be in place for handling workplace injuries and medical emergencies. It is difficult to predict the eventual complexity of an employee injury when it first happens. Your management team must react quickly and knowledgeably to control accident costs and help your employees return to productivity as soon as possible.

Historically, a small percentage of employee injuries account for a very high percentage of the total injury costs for a business. A recent study showed that 10% of all employee injuries accounted for 70% of accident costs. While the percentage may vary, the trend is clear: To keep the total accident costs to a minimum, all employee injuries must be well managed.

There are definite actions an employer needs to take when a workplace injury occurs. While certain specifics may vary depending on the state involved, generally, these actions follow this outline:

- Get proper medical attention for the injured employee
- Notify the insurance company of the injury
- Investigate the cause of the injury
- Take necessary corrective measures to prevent a recurrence
- Clean up incident/accident area when your and the insurance carrier's investigations are complete

What can the employer do to help manage the costs of injuries to their employees? They can educate management teams in the following cost control techniques:

1. Make sure the injured worker gets appropriate medical care. Depending on the type of injury, this may be 911 emergency medical services, a company doctor, a walk-in clinic or doctor's office, or in certain states, the provider of the employee's choosing. You and your teams should know what to do well in advance of any injuries. This includes designating providers ahead of time in states that allow the employer to direct initial care. You must know how initial medical treatment under workers' comp operates in your state so that your employee receives prompt and appropriate care. Your insurance agent and carrier can readily provide this information.
2. Promptly report incidents to the insurance carrier. In the event of a serious or potentially serious injury, insurance company adjuster involvement early in the process can be very beneficial.
3. Each state has requirements on the type of injury, time period and manner in which the injury must be reported to your workers' compensation carrier. A best practice is to report these injuries immediately.
4. When requested, provide time for other employees who witnessed the injury to speak with insurance personnel.
5. Keep the lines of communication open with injured employees. Make regular contacts by phone or in person.
6. Express the concern and empathy of the company for the injured worker's well-being. Relay expressions of well wishes and be available to answer their questions (or help get answers). Keep in contact with the authorized treating physician so that you remain up-to-speed on return to work dates and physical restrictions.
7. Make sure the employee knows that a productive job is waiting for them upon their return.
8. Your employee may have physical work restrictions assigned by the authorized treating physician. A powerful way to manage claim costs is to offer transitional work duties. If such tasks don't already exist, work with your management teams to find productive work within any assigned physical restrictions.
9. Keep in continuous contact with the insurance carrier. Update them on the employee's return to work and employment status, and be sure to share the results of your internal investigation. Don't assume that the insurance carrier will have learned something about the claim or injury just because you have—it's better to provide too much information than not enough.

Following the training of management in these techniques, be sure to conduct an analysis on a regular schedule to determine if they are effective. A closely coordinated effort between company management and their insurance carrier will ensure that injury costs are appropriately managed.



Reduce Workers' Compensation Costs:

Lower your workers' comp costs by encouraging your employees and supervisors to report injuries as soon as they occur. Prompt reporting enables us to engage the resources necessary to get the employee back to work.

For additional resources and other safety and risk management subjects, visit the AmTrust Loss Control website: <https://amtrustfinancial.com/loss-control>

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