



Article Written By:
Lisa R. Paul

Lisa R. Paul
President/CEO



Lisa R. Paul, CPCU has attended San Francisco State and UC Davis where she studied Economics. Ms. Paul is the President and CEO of Paul Hanson Partners Specialty Insurance Solutions, which provides insurance placement and risk management to the transportation industry, as well as underwriting, consulting, and program administration services for Zurich Insurance Company.

This article is informational only.



Given Name(s): _____
Date of Birth: _____ dd/mm/yy Phone (home): _____
Years in current position: _____ Job Title: _____ Status: Full-Time Part-Time
Area: _____ Mgr./Supervisor: _____ Phone/Local: _____
Date of Incident: _____ of Incident: _____ Shift Start Time: _____ Shift End Time: _____
Date Reported: _____ Reported To: _____
Hours worked in 24 hours preceding _____ (# of hrs) Day _____ of a _____ day rotation

INCIDENT INFORMATION

Incident category: Injury/Illness Hazard Equipment malfunction
 Biohazard Motor vehicle accident

Actions Following Incident: (check all that apply)
 First Aid Remainder Medical Aid

Workers' Compensation: How Early Reporting & Light Duty Lowers Claims Costs

In the last *Mover's Choice Briefing*, we discussed the most common type of workers' compensation injuries in the moving and storage industry, and safety and wellness strategies to reduce the frequency of these injuries.

In this *Briefing*, we look at two important strategies when a worker is injured: Timely reporting of claims and using light duty in return-to-work programs. Both strategies can lower the overall cost of your claims, which can lower your long-term insurance premiums.

Timely Reporting of Injuries

Studies by leading insurance companies have continued to show a simple fact: The earlier workers' compensation injuries are reported, the lower claims costs are likely to be.

- Even a week's delay in reporting injuries can increase claims costs by 10 percent.
- Injuries reported two weeks after the date of the incident cost an average of 18 percent more than claims reported during the first week.
- Reporting three and four weeks following an injury averaged a 30 percent increase in claims cost.

- After four weeks the costs increased an average of nearly 50 percent higher.
- When back sprains and strains are reported during the first week, employers can save an average of 25 percent on both medical costs and lost-time wages.

There are several reasons why delays in reporting injuries can increase workers' compensation costs.

- It means delays in starting appropriate treatment, which adds to the recovery time and cost of medical care and wage replacement. It can also make a difference in whether the worker will ever return to the job.
- The faster a workers' compensation claim is received by the claims adjuster, the faster and more controlled the claims process can be. The adjuster is able to conduct a thorough investigation while facts are readily available and before the employee or witnesses may forget details critical to the claim.
- Studies show prompt reporting can reduce the potential for a litigated claim, and improve or maintain employee morale.

Workers' Compensation: How Early Reporting & Light Duty Lowers Claims Costs

The biggest reason for delays is the failure by workers to report them. Some companies emphasize timely reporting in their orientation training, but there are additional steps you can take to help facilitate the process.

- The team leader on each truck should be charged with documenting the move from the time they leave the shop until they return. Whether using paper, laptop, tablet or cell phone, they need to document the move, especially if there was any discussion of injuries.

- Equip each vehicle with the tools to make a fast and accurate report, including report forms and cameras. They should record all details of the injury and then report it to the company safety department as quickly as possible.

- Once back to the office, injured employees should write a detailed description of the accident, including as much of a narrative as possible. This information will be useful in the claim settlement.

Transitional Duty

Another key to managing workers' compensation costs is a proactive return-to-work program. These programs can reduce both medical costs and lost wage payments, thus lowering your overall claim costs. Light duty, also called transitional or modified duty, can play an important role in these programs.

Light duty is the temporary placement of an injured employee in a position that is not as physically demanding. Just as with early reporting of claims, the statistics are clear

when it comes to the importance of getting employees back to work as soon as possible:

- Workers not back to the job within 90 days of injury have less than a 50 percent likelihood of returning.

- Those who don't return after 120 days have less than a 10 percent chance of ever returning to work at any job.

- Employers with aggressive return-to-work programs can reduce average disability duration by almost 20 percent.

Workers in light duty positions maintain contact with their job and fellow employees, promoting better morale and a faster recovery. And employers retain experienced employees while potentially saving the cost of hiring and retraining new employees. It also reduces the potential for fraudulent claims and can boost company morale.

The larger your company, the better chance you can find light duty positions for an injured worker. Here are some tips to setting up a program:

- Identify typical injuries and physical restrictions involved.

- Identify existing positions that may be filled by employees with these injury types, such as one-handed work, light lifting or seated positions.

- Review existing positions to determine where light duty may be appropriate.

- Develop new positions to accommodate employees with restrictions.

- Develop written descriptions of light duty positions, focusing on physical demands.

When developing this program, be sure to include medical providers who can offer perspectives on appropriate duties, as well as supervisors



who will need to be trained to manage injured employees on light duty.

The use of light duty in a proactive return-to-work strategy can increase employee morale and keep an experienced employee engaged in your business. Along with timely reporting of injuries, this is a strategy that can help you manage your workers' compensation costs.

DISCLAIMER: The information contained in this article has been developed from sources believed to be reliable. However, the accuracy and correctness of such materials has not been verified. We make no warranties either express or implied nor accept any legal responsibility for the correctness or completeness of this material. This information should not be construed as business, risk management or legal advice or legal opinion. Compliance with recommendations, if any, contained herein in no way guarantees the fulfillment of your obligations as may be required by any local, state or federal laws. Paul Hanson Partners assumes no responsibility for the discovery and/or elimination of relevant conditions in your operation(s) and/or facility(ies).

