



Workers' Compensation

Cost Containment Programs



Y O R K
International
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Insurance • Benefits • Risk Management

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The Tip of the Iceberg



Insured Costs

- Medical
- Compensation

Uninsured Miscellaneous Costs

- Investigation time
- Cost of hiring and/or training replacements
- Overtime
- Extra supervisory time
- Clerical time
- Wages not compensated
- Down time
- Negative public image
- Legal fees
- Reduced Employee Morale

The Real Cost of Accidents Can Be Measured and Controlled

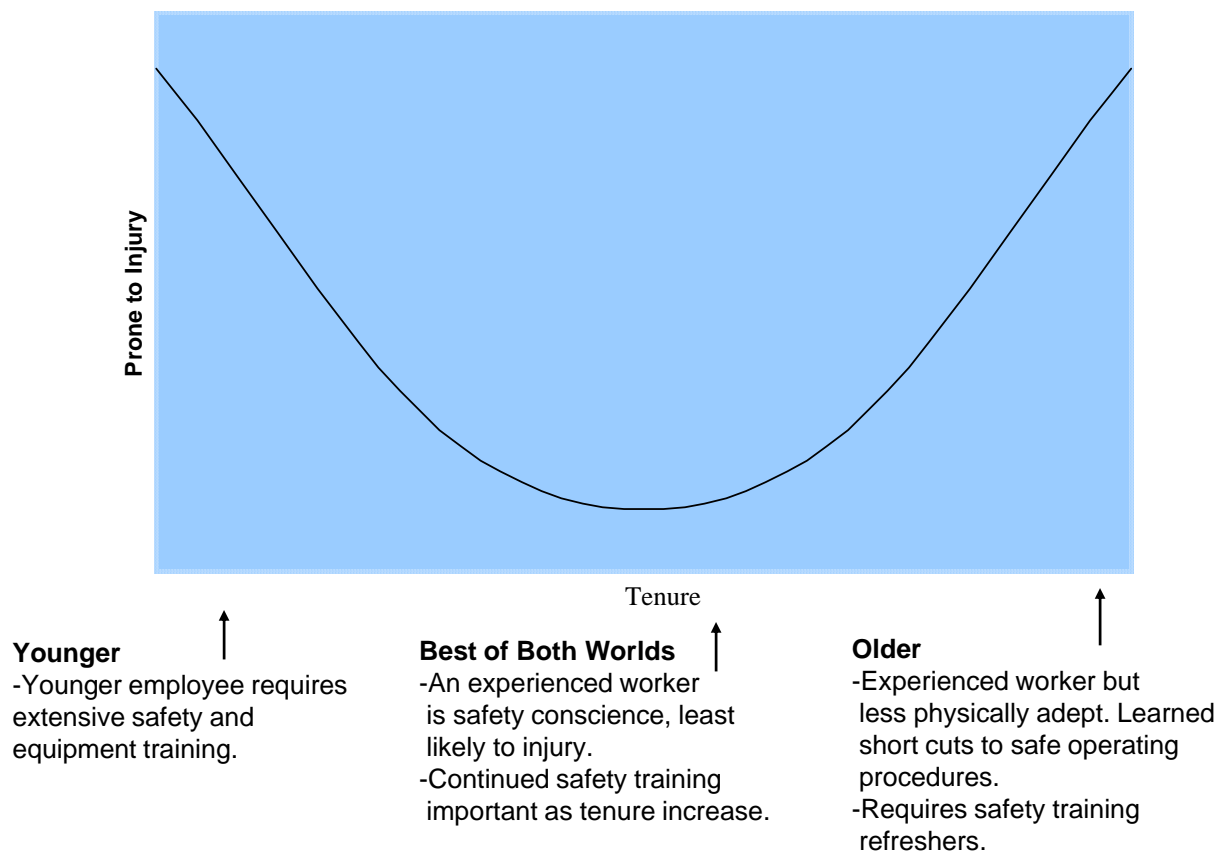
Controlling Your Costs

- ✓ Establish a Safety Policy
- ✓ Adopt a Return to Work Program
- ✓ Streamline Reporting Procedures
- ✓ Utilize Occupational Medicine Clinics
- ✓ Subrogate
- ✓ Identify top Loss Sources
- ✓ Mitigate Legal Expenses

Understand your employee demographics

Identify training needs accordingly

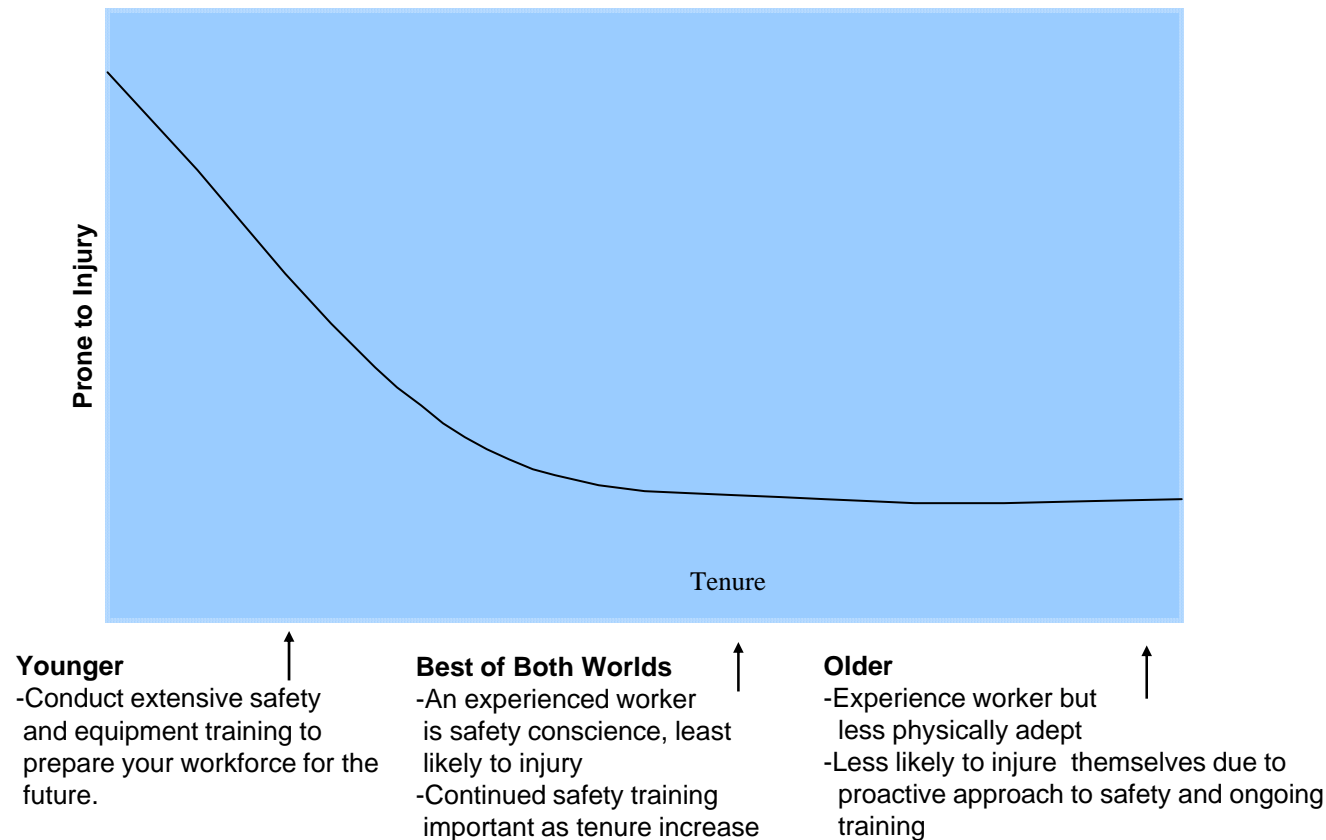
Typical Risk Continuum



Optimal Risk Continuum

Proper focus will head you in the right direction!

Optimal Risk Continuum



Establish a Safety Policy

Write a comprehensive plan to include:

- Statement of Policy - explain purpose
- Expectations of employees, drugs/alcohol policy
- Role of Safety Committee
- Loss Control efforts-identification and correction
- Training and use of Occupational Medicine Clinics

Incorporate the policy into your company culture

- Review written policy with new employees (for non-English speaking workers, offer materials in worker's native language)
- Periodically review policy with all employees
- Review policy in monthly Safety Committee meetings

WC Premiums

Workers' Compensation Premiums Fluctuate, but . . .

- Accidents are inevitable, but also preventable
- Proactive disability management will help to control WC premium costs and deter fraudulent activities

Adopt a Return to Work Program

- Include in employee handbook and safety policy
- Review policy during new hire orientation
- Make it part of your company culture

Return to Work Program

Clearly detail expectations and duties of employees

- Write job descriptions
- Include physical demands required to perform job functions
- Create a modified duty job bank
- Spell out ramifications of non-compliance:
- Jeopardize workers' compensation benefits

Return to Work Program

Consider onsite physical therapy/work hardening program

Advantages:

- Utilizes facets of employees job
- Decreases disability days
- Allows you to monitor compliance
- Employee visible to management
- Fraud deterrent

Streamline Reporting Procedures

- Establish clear reporting channels
- Educate personnel on importance of prompt reporting

- Initiates benefits
- Avoids delay in compensation and medical treatment



Train Supervisors on Investigation Procedures

- Conduct accident site investigations
 - Ask what, when, how, where, why
- Complete accident report forms
- Obtain witness statement forms
- Supervisors to be aware of fraud indicators

Workers' Compensation Fraud



15 Warning Signs

The WIC (workers' compensation) insurance system is one-fault method of paying workers for medical expenses and wage losses due to on-the-job injuries, while the majority of WIC claims are paid by the national insurance carrier. Bureau reports that billions of dollars in false claims are submitted each year. To help you detect possible WIC fraud, experience shows a claim may be fraudulent if two or more of the following factors are present:

1. **Monday Morning:** The alleged injury occurs either "the first Monday morning" or late on a Friday afternoon but not reported until Monday.
2. **Employment Changes:** The reported accident occurs immediately before or after a date, stopgap, layoff, lay and if a big project, or at the conclusion of a second year.
3. **Job Terminations:** If an employee files repeat or multiple claims
 - Was the alleged injury reported by the employee prior to termination?
 - Did the employee exhaust their unemployment benefits prior to claiming workers' compensation benefits?
4. **History of Claims:** The claimant has a history of frequently changing employers, address, employer of employment.
5. **Medical History:** The employee has pre-existing medical conditions that is similar to the alleged work injury.
6. **No Witnesses:** The accident has no witnesses, and the employee's own description does not logically support the cause of injury.
7. **Conflicting Descriptions:** The employee's description of the accident conflicts with the medical history or the report of injury.
8. **History of Claims:** The claimant has a history of numerous suspensions or litigated claims.
9. **Investigation is Refused:** The claimant refuses diagnostic procedures to confirm the nature or extent of injuries.
10. **Late Reporting:** The employee delays reporting the claim without a reasonable explanation.
11. **Hard to Locate:** The employee difficulty contacting or locating at home, when they are allegedly disabled.
12. **Misleadingly:** Does the employee have another paying job or do volunteer work?
13. **Relevant Contradictions:** There is a unusual coincidence between the employee's alleged date of injury and their receipt of personal time off.
14. **Financial Problems:** The employee has filed to borrow money from co-workers or the company, or requested pay reductions.
15. **Hobbies:** The employee has a hobby that could cause an injury similar to the alleged work injury.

Remember, these warning signs are not definitive. Only an investigation of a claim, and your Insurance Carrier.

Utilize Occupational Medicine Clinics

- Identify local clinic
- Invite staff physicians to tour facilities
- Review expectations of Return to Work program
- Supply clinic with return to work forms

Refer Injured Employees

- Sell your employees on clinics specialty-work related injuries
- Communicate frequently with employee
- Show concern for well being
- Discuss return to work expectations

Subrogate

- Train Supervisors to identify possible subrogation
- Discuss subrogation expectations with Broker/Insurance carrier

Identify Top Loss Sources

Develop corrective actions:

- Conduct Loss Source Analysis
- Review Types of Accidents and Causes
- Breakdown by Location or Department
- Consult with Loss Control Expert

Mitigate Legal Expenses

Review exposure of the claim:

- Weigh your options
- Trial vs. settlement, or:
 - Stipulation
 - Compromise Agreement
 - Alternative Dispute Resolution

Control Insured and Hidden Costs

- ✓ Establish a Safety and Return to Work Policy
- ✓ Review reporting procedures
- ✓ Team up with a local, reputable Occupational Medicine Clinic
- ✓ Pursue all possible subrogation
- ✓ Identify top Loss Sources
- ✓ Mitigate legal expenses

Working Together

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Working together to reduce loss expenses!