

WORK COMP INSIGHTS

Creating a Workers' Compensation Process

For the unprepared, workers' compensation (WC) issues can be both confusing and costly. Fortunately for employers, there are ways to actively engage WC issues to influence their outcomes.

Through management controls and active involvement in the WC process, your organization can effectively influence related costs. To do so you will have to establish a number of your own processes that guide decision making throughout your organization.

Areas requiring WC management can be divided into three main categories. These categories include facets that may range from the simple to the complex but, as a whole, address vital issues that can negatively influence WC costs in your company.

Workplace Safety Means Fewer Claims

Simply put, reducing claims reduces costs. Establishing a safety-minded culture throughout every level of your company is essential to keeping workers injury free. However, establishing such a culture isn't an overnight solution. To be successful, an ongoing commitment to safety must be made. Such a commitment must be supported by management and given the necessary resources to succeed.

Developing comprehensive safety policies for employees builds a firm foundation for your safety culture to grow. Such policies also encourage OSHA compliance, further improving your safety efforts while helping you avoid costly fines.

Mitigate Loss After an Injury

Unfortunately, even with all the right programs in place, it is still possible for accidents to happen. When a workplace incident occurs how you respond can greatly influence the outcome of the claim. Prompt claim reporting is essential to keeping costs down. It is also important to have a designated injury management coordinator, someone who can supervise open claims and work with both employees and medical personnel to facilitate the timely recovery.

The longer an employee is out of work the more expensive their claim will be. Return to Work programs that allow injured employees to come back to work at a limited capacity during the recovery process, are one of the

most effective tools business owners have to reduce the severity of a claim.

Managing Your Mod

Insurers use what is known as an experience modification factor, or mod, to calculate the premiums you pay for workers' compensation coverage. By managing your exposures and promoting safety it is possible to manage your mod and decrease your premium rates.

Like a good safety program, controlling your mod is an ongoing process. To reap the benefits of lower premiums you will have to keep in regular contact with your insurance provider to ensure they have the most accurate data to use in their calculations.

**By developing a cohesive
workers' compensation
process, you can play an
active role in reducing related
costs.**
