



## **6** Advanced Systems for Lowering Workers Compensation Costs

### **1. Claims Management – Pre Claim**

Critical Factors:

Hiring Practices  
Safety Planning & Training  
Supervisor Training

How your costs can go up:

- Hiring someone with a pre-existing injury that is later claimed under your Workers Comp Insurance policy
- Hiring someone that isn't physically suited to safely perform their job duties, resulting in injury
- Physical exposures in the workplace or jobsite leading to accidents
- Lack of training for new employees leading to accidents

### **2. Claims Management – Post Claim**

Critical Factors:

Return-to-Work / Stay-at-Work

Clinic Relationships  
First Aid Training

How your costs can go up:

- Lost time Workers Comp claims that drive up your Experience Modification Factor
- Decreased productivity resulting from injured workers
- Less favorable claim outcomes due to employees not receiving the right type of medical treatment for their injuries
- Higher claim frequency from inability to treat minor injuries

### 3. Managing the Mod

Critical Factors:

Accuracy & Verification  
Valuation Date Review  
Project Upcoming Mod

How your costs can go up:

- Mistakes on your Experience Mod (injury codes, incorrect claim figures, etc.)
- Reserve dollars counting as paid claim dollars when Experience Mod is calculated
- Incorrect premium charges

### 4. Premium Audit

Critical Factors:

Preparing Audit  
Packaging Audit  
Presenting Audit

## Verifying Audit

How your costs can go up:

- Payroll assigned to incorrect classification codes
- Longer time spent with audit process due to lack of preparation and planning
- Additional payroll being included from sub-contractors
- Mathematical errors by business or auditor

## 5. Unique Considerations

Critical Factors:

Combining Entities / Mergers & Acquisitions

USL&H

Wrap-Ups

Leased & Temporary Labor

How your costs can go up:

- Less leverage with insurance carrier for pricing and resources if split into more policies than necessary
- Potential for increased premiums if acquiring a new entity with worse Workers Comp claims experience
- Large fines for violating federal laws
- Multiple expense constants or lower premium discount with multiple policies

## 6. Benefits Triangulation

With focus on these 6 areas, a business can most efficiently and effectively manage their Workers Compensation Insurance and attain positive results, such as:

Lower premiums

Becoming more attractive to the insurance marketplace

Stability with renewals  
Improved company morale and productivity  
Safer workplace environment  
Positive public image  
Higher employee retention