

Loss Prevention

Please route to:

- Owner
- General manager
- Sales manager
- Service manager
- Office manager

Helping control workers' compensation costs

part 2 of 2

In part 1 of this bulletin, we discussed experience rating and loss prevention. As there are many components to workers' compensation, we will explain additional ways to control costs and reduce fraud.

Other ideas

Workers' compensation costs can be controlled in other non-safety areas. Other than suggestion number one listed below, the following are considered "cost containment" tasks. They are implemented after the accident or injury occurs, but can be effective in reducing the final cost of the claim. Consider the following:

1. **Allocate loss and insurance costs**
 - a. By location or department
 - b. Costs become part of manager's performance review and pay plan
 - c. Increases awareness of loss costs
2. **Designate physicians or clinics**
 - a. If permitted by law in your state
 - b. Helps to lower medical costs
3. **Implement a modified duty/return to work program**
 - a. Studies have shown that getting an injured employee back to work helps reduce costs
 - b. Employees back in the workplace contributing instead of staying at home

4. Providing a wide array of employee benefits

- a. Assists in the reduction of workers' compensation losses
- b. Reduces the possibility of fraudulent claims

Workers' compensation insurance is a significant expenditure for most businesses. It doesn't make good business sense for you to pay more than your competitors. For more information on controlling insurance costs, contact your local Zurich account executive.

Fraud alert

Special investigations unit

Although most claims are legitimate, many are inflated or fraudulent. Being aware of this possibility, the employer can make a significant contribution to the investigative process at its most crucial point: when the claim is originally reported. A reasonable review of fact patterns at the onset can help isolate those claims meriting closer scrutiny. No one indicator by itself is necessarily suspicious. Even the presence of several indicators, while suggestive of possible fraud, does not mean that fraud has definitely been committed.

When the claim handler is made aware of certain indications of fraud at the onset, the special investigations unit becomes involved, improving the chance of promptly and accurately deciphering the facts.

Indications requiring a closer scrutiny of the claim:

- Injured worker is disgruntled, facing imminent firing or layoff

- Injured employee took unexplained or excessive time off prior to accident
- Employee is new on the job
- Employee has a history of reporting subjective injuries
- Accident is unwitnessed
- Fellow workers hear rumors that accident was not legitimate
- Accident occurs late Friday afternoon or shortly after employee reports to work on Monday
- Accident occurs in an area where injured employee would not normally be
- Accident occurs near the end of a probationary period
- Incident is not promptly reported to supervisor
- Details of accident are vague

Your collaboration with our claims professionals and special investigations unit will help with payment accuracy, and mitigate unnecessary financial exposure.

Loss prevention information

For questions about this loss prevention topic, contact the Zurich Risk Engineering Department at 800-821-7803.

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