Obesity and its impact on the workplace
Obesity in the workplace affects the productivity of the obese employee while costing the employer downtime along with workers’ compensation medical and indemnity costs. To put it simply, an obese worker means higher costs for an employer than an employee within a normal weight range. A significant portion of the United States adult population is obese, and an almost equal number are overweight. Obesity is considered by many to be the “next smoking,” meaning an issue employers will need to address to control costs related to this growing epidemic.

**Background**

The prevalence of individuals with obesity in the United States has risen significantly in the past 30 years. An individual is considered obese when his or her body mass index (BMI) is over 30. BMI is a measure of body fat based on a person’s height and weight. Someone five-and-a-half-feet tall is obese at 186 pounds; a six-foot person is obese at 221 pounds.1 According to the Centers for Disease Control and Prevention (CDC) study, 33 percent of adults (age 20 and over) are obese, which is more than double the percentage of 30 years ago, while another 33 percent of adults are considered overweight.2 The CDC study found that approximately 72 million Americans are clinically obese3 and 50,000 adults are considered “super-obese,” having a BMI in excess of 50.4

Obesity is referred to as a “gateway” disease because it leads to a multitude of other health problems including heart disease, high cholesterol, diabetes, sleep apnea, stroke, lower back pain, cancer and an increased risk of death. Additionally, the health risks associated with obesity rise as a person’s weight rises.

Obesity is a serious medical condition that causes 110,000 deaths each year.5 Obesity has become an epidemic in this country resulting in significant social and financial impacts to employers and the overall economy.

**High dollar cost to employers**

Obesity’s cost to the U.S. economy has doubled in the last 10 years, which is four times the rate of inflation.6 The United States pays $147 billion a year to treat obesity and its related diseases, which is equal to one percent of the gross domestic product, according to a 2009 study by the CDC. Employers are responsible for a majority of those costs, paying roughly $93 billion annually in medical costs related to obesity.7

Studies have found that obesity-related disorders cost employers nearly 40 million lost workdays, 239 million restricted-activity days, 90 million “sick-bed” days and 63 million doctor visits each year.8

These statistics are alarming. With one-third of the U.S. adult population obese, most employers are or will be impacted by the effects and resulting increased costs of obese employees. There are indirect costs, such as the lost productivity and sick days, but employers also face increased direct costs resulting from obesity, including increased health insurance costs.

For example, according to a recent report from the Department of Health Policy at George Washington University’s School of Public Health and Health Services,
the annual health-related costs of obesity for a woman amount to $4,789 more than a woman of average weight would pay. For an obese man, those additional costs are $2,646 annually. The same study found that health insurance premiums were approximately $1,100 higher annually for the obese employee. Life insurance costs obese individuals about $111 more annually. Disability insurance for obese employees also costs more than insurance for employees within their recommended weight range. For companies with hundreds or thousands of employees, if a third of those employees are obese, these additional costs can add up to significant dollars very quickly.

The CDC also found that obesity has a significant impact on worker productivity. Lost productivity accounts for $3.9 billion a year in costs. It is estimated that one-quarter of obese workers under-perform because of medical conditions related to their weight. The lost productivity is likely a result of the increased medical issues faced by obese individuals. Because obesity leads to more chronic medical conditions, it is more probable that the employee will be absent from work, whether due to illness, doctor visits or restricted-activity days. A report in the American Journal of Health Promotion observes that obese workers with diabetes are less productive on the job, and more susceptible to severe injury situations that result in higher insurance costs.

Obesity and workers’ compensation

It is not difficult to see how there would be a correlation between an employee’s weight and his or her frequency of injury at work. A 2007 study by Duke University found a direct link between an employee’s BMI and the likelihood of the employee filing a worker’s compensation claim. The study found that employees with a BMI greater than 40 had more than double the claims than employees at their recommended weight – 11.65 claims per 100 full-time employees, while employees in their recommended weight range had 5.80 claims per 100 full-time employees. The study also found:

- An increased link between BMI and lost workdays, employees with a BMI greater than 40 had more than ten times the loss workdays than employees at a regular weight – 183.63 lost work days per 100 full-time employees compared with 14.19 lost workdays per 100 full-time employees at their recommended weight;
- Medical claims costs were approximately seven times higher for obese employees – full-time employees with BMI greater than 40 had medical claims costs of $51,091 compared with $7,503 per 100 full-time employees at their recommended weight;
- Indemnity claims costs of full-time employees with BMI greater than 40 were $59,178 compared with $5,396 per 100 full-time employees at their recommended weight.

The results of this study indicated that lower extremity, wrist, hand or back were the types of claims most strongly affected by BMI. The study concluded that “maintaining healthy weight not only is important to workers but should also be a high priority for their employers given the strong effect of BMI on workers’ injuries.”

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10 Obesity’s Link To Diabetes In The Workplace Puts A Heavy Burden On Employers, March 16, 2010
11 Obesity and workers’ compensation: results from the Duke Health and Safety Surveillance System, April 23, 2007, Department of Community and Family Medicine, Duke University Medical Center, Durham, NC, USA
12 Obesity’s effect on the U.S. economy equals a virtual recession, February 12, 2010
Wellness programs as a possible solution

It seems reasonable that a focus on wellness – exercise, nutrition and stress management – may help to improve an employee’s overall sense of well-being, and consequently result in improved worker productivity, less sick time and lower medical costs. A recent analysis of studies in Health Affairs found that for every dollar companies spend on employee wellness, medical costs fall an average of $3.27.13

The goal of a company’s wellness program should be to promote healthy lifestyles of employees. This can include providing exercise machines, nutrition counseling or on-site medical care. The efficacy of wellness programs has been documented in studies. A recent study by the University of Michigan School of Kinesiology’s Health Management Research Center followed a company that implemented a wellness program over a nine-year period. During the time, the company spent approximately $7.3 million for the wellness program, but during that time achieved savings of $12.1 million from lower medical and pharmacy costs, lower workers’ compensation claims and reduced time-off of workers.14

Additionally, a result of the new health-care reform law will allow employers to provide employees with financial incentives for having corporate wellness programs. Beginning in 2014, employers can offer greater incentives to employees who participate in corporate wellness programs or who meet certain health criteria, such as a cholesterol level.15

What can employers do to promote healthy weight?

• On-site fitness centers
• Nutrition programs
• Promote healthy foods in the workplace, such as having vending machines filled with fruits and vegetables
• Provide incentives to employees to improve their health via weight loss or maintaining a healthy weight
• Encourage participation in group physical activity, such as a corporate sponsored 5k or fun run
• Reduce stress in the workplace – a study earlier this year found that chronic job stress and lack of physical activity are strongly associated with being overweight or obese16
• Promote the use of desk exercises such as stretching to reduce tension and repetitive-motion strain

Laws related to obesity

Although obesity is considered by many medical experts to be a disease, there are currently few laws that protect obese workers against discrimination. The Americans with Disabilities Act (ADA) offers some protection to employees if they are disabled as a result of the obesity; however, that is currently the only federal law in place to address discrimination against an obese employee. Michigan is currently the only state with a specific law prohibiting obesity regulation. New Jersey’s Law

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13 Obesity, Fitness & Wellness Week, September 4, 2010
15 NewsRX Health, “Rochester study connects workplace turmoil, stress and obesity,” April 25, 2010
16 Obesity discrimination lawsuits are on the rise, McLane Law Firm, October 25, 2010
Against Discrimination was recently found by a court to be broad enough to extend protection to a 400-pound woman who was overweight as a result of a genetic condition. Obese employees can also find some protection in Washington, D.C., and San Francisco and Santa Cruz, California. These cities include body size in human rights ordinances.

The Equal Employment Opportunity Commission (EEOC) recently filed suit on behalf of an employee claiming she was fired because of her obesity. The EEOC contends that the employer violated the ADA when firing the employee, because the employee was able to perform all the essential functions of her job, but her employer perceived her as not being able to perform basic life activities, such as walking.

With the economy still weak and unemployment high, lawsuits alleging obesity as the reason for a firing or layoff will increase. Employers should take care not to factor an employee’s weight when making any personnel changes.

Conclusions

The link between obese employees and higher costs to an employer is well documented. Obese workers cost employers more than an employee at their recommended weight range. While companies need to be careful not to be discriminatory, the promotion of wellness programs appears to be a win-win situation for employers and employees alike. Additionally, maintaining a healthy weight is not only of importance to employees, but should be a concern for employers given the strong connection (according to the Duke University study) of an employee’s BMI on their likelihood of workers’ compensation claims, as well as the opportunity to control rising health care costs.
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