

WORKERS' COMPENSATION

EARLY REPORTING CAN CUT CLAIMS, PREMIUM COSTS

HOW LONG you wait to notify your workers' compensation insurer of a workplace injury can make a significant difference in the cost of that claim.

When your premium is calculated, one of the key elements that we take into account is the cost and frequency of prior claims during the past few years.

In short, by improving your organization's injury notification times, you can also positively affect the cost of the claim, which in turn can help reduce your overall workers' comp premiums going forward.

Claims filing tips

- Develop internal procedures for reporting injuries. Ensure that your staff know the importance of reporting injuries immediately and that they are aware of your reporting procedures.
- Don't question employees' integrity when they report an injury.
- Familiarize yourself with the legal requirements in relation to reporting workplace injuries.
- File a claim immediately after learning about the injury.
- Encourage safe work practices and ensure that employees are aware of and practice proper safety techniques.
- If an injured worker still has partial capacity for work, you should try to provide interim alternate duties while they heal. This can have a positive impact on potential disability levels, and on the premium impact of lost time.

Can early reporting truly affect the cost of a claim?

The graph below shows results from a National Council on Compensation Insurance study looking at the cost of a claim based on the delay between incident and notification. Even a delay of two to three weeks can increase the cost of the claim by over 10%.

Why does early reporting work?

The sooner your insurer knows about an injury to one of your workers, the sooner they can plan for appropriate treatment.

If medical treatment is delayed, it becomes likelier that medical costs will mushroom along with lost time from work, which needs to be compensated.

If you notify your insurer when an injury occurs, they can arrange for the worker to begin the medical treatment, which can help your employee recover faster and return to work. This in turn saves you money.

Costs Escalate the Longer Reporting is Delayed

Average percentage increase in claims costs

