



# Tips for Controlling Workers Comp Costs

## Managing Claims & Preventing Losses

- Accurate Job Descriptions & Pre Hire Physicals
  - You are permitted to require post offer, pre hire physicals. This along with a detailed job description ensures that employee prospects are physically capable of performing all job duties, limiting potential injuries.
- Maintain Updated Incident Reports
  - It is important to take reports from witnesses on the same shift or department. Comparing internal reports, you can notify the carrier of any inconsistencies if the legitimacy of the claim is in question.
- First Aid Claims
  - An incident that requires two or less doctor visits and no lost work time other than the date of injury is not required to be reported. If this is the case, the employer is allowed to self-pay the medical bills to keep workers comp costs down.
  - You must still fill out the paperwork as you would for any claim and keep on file in case the claim escalates later on.
- Medical Provider Network
  - A C3.1 Program allows the employer to suggest where the employee receives medical treatment. A medical provider that has accurate, detailed job descriptions is better suited to determine if an employee needs to miss any time.
  - Employee still has the right to choose their own medical treatment, but that can raise a red flag to the carrier to look closer into a claim

## Experience Modifications & Audits

- Claims History Review
  - Compare claim history to the data used by rating agencies to ensure there are no discrepancies.
  - Review Third Party claims that should have been apportioned to other carriers.
  - Determine if suspect claims have been paid anyway without investigation from insurance carrier.
- Class Code Review
  - Review class codes used to current operations to evaluate if there have been changes in operations which require a change in class code or if there have been legislative rulings which benefit the insured.



## Errors & Corrections

- When discrepancies are identified, the rating agency should be petitioned on the insured's behalf for recovery of any overpaid premiums.
  - Errors on Experience Modifications can be corrected up to 6 years prior.
  - Errors on audits can be corrected up to 3 years prior.
- Class codes and rating data is then accurate on a going forward basis.

## Conclusion

Workers Compensation is the most controllable insurance coverage an organization has. When you are proactive with your risk management program, your claims, experience modification, and ultimately, your premiums will reflect that. Cool Insuring – A Gallagher Company has professionals that can assist with all of the above strategies and have been successful in recovering significant overpaid premiums. If you have any questions, please feel free to reach out to the contacts below.

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