

Prompt reporting of on-the-job injuries saves money

Several studies indicate that the overall costs of workers compensation claims are lower when claims are reported promptly.

Glen-Roberts Pitruzzello of Hartford Insurance published a study in 2000 which analyzed over 53,000 workers compensation claims. The study found that claims reported to the insurance company within the first seven days after an injury did not substantially change the overall claims cost. However, claims reported 8-14 days after the injury increased overall costs by 18%. Claims reported 15-21 days after the injury increased costs by 29%. Claims reported 22-28 days after the injury increased costs by 31% and claims reported 29 or more days after the injury increased costs by 45%.

An Australian study found a “strong direct correlation between claim costs and lagtimes in claims reporting.” The study reported that claims forwarded to insurers in the second and third weeks cost approximately 13% more than those forwarded in the first week. Claims forwarded after three months cost approximately 91% more than those forwarded in the first week.

In another study, a national insurance carrier reported that 22% of their claims were litigated when reported within 10 days of the injury. That number rose to 47% when reported more than 31 days after the injury.

Gregory Krohm, Executive Director of the International Association of Industrial Accident Boards and Commissions (IAIABC), cautions that claims reported three or more weeks after an accident tend to have greater periods of disability than normal for a particular industry, higher medical costs, and disputes over

causation, treatment and return to work, and higher rates of attorney involvement and litigation.

By reporting claims promptly, the employer and the injured employee can receive the highest level of service from the insurer. The insurer can ensure that the injured employee receives the most appropriate treatment by finding a qualified medical provider and assigning a nurse case manager. The insurer can help the employer create return-to-work opportunities that minimize employee downtime and costs to the employer.

The County Workers Compensation Pool

For the most part, members of the County Workers' Compensation Pool are doing a good job of reporting claims in a timely manner. For the second quarter of 2004, most workers compensation claims were reported to the employer promptly, within an average of 4 days of the injury. However, those claims reported to the employer over 10 days after the injury occurred took an average of 31 days to report.

Likewise, most employers reported workers compensation claims to CTSI within 2 days of being notified of the injury. However, those claims that were reported to CTSI over 10 days after the injury occurred took an average of 34 days to report.

Counties should encourage their employees and supervisors to report any injuries promptly to ensure that injured employees receive the appropriate medical care and to help counties to control costs.

For more information, contact CTSI at 303-861-0507

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