

S E L F - I N S U R A N C E

BULLETIN

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101 WAYS TO REDUCE WORKERS' COMPENSATION COSTS

Through the years, you have shared many of your favorite cost saving tips with us. In turn, we wanted to compile and share some of our favorite ideas with you. It is our hope these tidbits will spark a new initiative or reinvigorate an existing program that will save you money. Here's our list of 101 ways to reduce workers' compensation costs:

EMPLOYMENT PRACTICES

1. Create an atmosphere of trust among employees. Good relationships are key to

good business.

2. Establish a drug-free workplace policy.

3. Hire quality employees.

These individuals offer increased productivity and cost savings.

4. Enforce existing policies and procedures consistently.

5. Fight workers' compensation fraud. Develop an anti-fraud plan and make your policies known.

6. Treat all claims as legitimate until proven otherwise.

7. Ask senior management to issue a workers' compensation policy statement.

8. Recognize and reward supervisors for good safety and

accident response performance.

9. Encourage and implement employee suggestions when possible. Employees are the real experts.

10. Hold managers accountable for controlling workers' compensation program costs.

11. Insist location managers, department heads, and supervisors lead by example.

12. Minimize employee turnover. Recognize and reward exceptional performance.

13. Match people's physical abilities with job tasks.

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101 WAYS TO REDUCE COSTS, CONTINUED

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- 14.** Develop good job descriptions.
- 15.** Ensure programs and procedures comply with the Americans with Disabilities Act.
- 16.** Develop a crisis management plan.

SAFETY/LOSS CONTROL

- 17.** Maintain equipment and tools in good working order.
- 18.** Establish a safety committee that is well-respected and consists of representatives throughout the organization.
- 19.** Wear personal protective equipment and clothing that are provided.
- 20.** Ask for assistance when moving or lifting heavy objects.
- 21.** Clean up spills on the floor immediately to prevent slips and falls.
- 22.** Investigate accidents thoroughly and promptly. The objective is to identify causes and prevent future occurrences.
- 23.** Keep aiseways clear and remove objects that pose a tripping hazard.
- 24.** Insist employees wear proper footwear.
- 25.** Insist on neat workspaces. Clutter

hinders productivity and increases risk.

- 26.** Discuss the importance of safety during the interview process. Set expectations early on.
- 27.** Conduct frequent self-inspections of the premises and operations.
- 28.** Do not remove guards or modify equipment or machinery.
- 29.** Make ergonomic improvements at the workplace when possible.
- 30.** Prohibit horseplay at the worksite.
- 31.** Clear ice and snow from walkways and parking lots.
- 32.** Develop a self-inspection checklist to ensure consistency.
- 33.** Use floor matting to cushion hard surfaces

Establish written standards for performance. This will enable you to identify and communicate your service expectations.

or to provide slip resistant surfaces.

- 34.** Label and store all



chemicals and solutions properly.

- 35.** Do not lock or block exit doors. Make sure they are clearly marked.
- 36.** Create a safety culture. Safety must become a way of thinking and a matter of lifestyle.
- 37.** Prevent exposure to bloodborne pathogens.
- 38.** Make sure fire extinguishers are in good working order.
- 39.** Review and modify safety procedures and protocols on a regular basis.

CLAIMS MANAGEMENT

- 40.** Use preferred medical providers to administer quality medical treatment.

Negotiate discounts but do not compromise quality.

- 41.** Use telephonic or electronic claims reporting when available.
- 42.** Develop a workers' compensation claims kit.
- 43.** Use structured settlements when appropriate.
- 44.** Use occupational health specialists when needed.

- 45.** Establish a return to work program.

- 46.** Utilize claims experts to manage catastrophic cases.
- 47.** Audit legal bills for accuracy and appropriateness.
- 48.** Formulate a sound legal philosophy and strategy.
- 49.** Pursue subrogation when appropriate.
- 50.** Ask supervisors to accompany injured workers to the doctor's office.
- 51.** Review the status of large claims on a regular basis.
- 52.** Help preferred medical providers understand your business operations.
- 53.** Keep an auto kit in the glove compartment of fleet vehicles.
- 54.** Draw upon the second injury fund when appropriate.
- 55.** Audit select claims files and claims processes.
- 56.** Audit medical bills for accuracy and appropriateness.
- 57.** Report claims immediately. Time is money.

TRAINING AND COMMUNICATION

- 58.** Train supervisors to administer first aid

101 WAYS TO REDUCE COSTS, CONTINUED

treatment.

59. Conduct training and education programs on an ongoing basis.

60. Train workers on back injury prevention and proper lifting techniques.

61. Teach and encourage healthy habits. Healthy employees tend to be more productive and less prone to injury.

62. Train supervisors how to respond to an accident.

63. Teach defensive driving techniques.

These will be valuable both on and off the job.

64. Use creative communications to promote your safety and accident response procedures.

Market your message the same way you

market your products and services.

65. Send a get well card to injured employees. The sentiment and thoughtfulness will be appreciated.

66. Monitor



and post accident free days in a highly visible place.

67. Distribute

program brochures, posters, and paycheck notices.

68. Stay in contact with injured employees and family members.

69. Keep senior executives apprised of program savings and successes.

70. Utilize safety training videos to communicate and demonstrate proper techniques.

71. Talk with industry friends and colleagues about new ideas and suggestions.

72. Emphasize safety and accident response procedures during employee orientation.

73. Market and promote cost management programs throughout the organization.

74. Publicize workers' compensation

successes throughout the organization.

75. Communicate with managers, supervisors, and employees.

76. Communicate the impact of workers' compensation costs upon the organization. Higher claims costs mean less money for profit-sharing, bonuses, equipment and new hires.

77. Explain to employees that workers' compensation benefits are determined by law.

78. Manage public relations internally and externally when accidents occur.

ACTUARIAL AND FINANCING

79. Compare workers' compensation program performance to industry peers. Benchmarking is insightful.

80. Identify key workers' compensation program cost drivers. Direct limited resources where they will generate the greatest return on investment.

81. Identify repeat claimants and develop a strategy for

managing each of these situations.

82. Monitor and interpret loss trends. Knowledge is power.

83. Obtain an actuarial assessment of losses when needed.

84. Develop an effective cost allocation system. Simplicity and equity are key.

85. Self-insure workers' compensation losses when feasible.

86. Evaluate alternative loss retention levels. Determine what is optimum for your company.

87. Evaluate financial options for meeting state self-insurance security requirements.

PROGRAM MANAGEMENT

88. Establish written standards for performance.

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This will enable you to identify and communicate your service expectations.

89. Build strong relationships

with agents and brokers.

Capitalize on their resources and expertise.

90. Invest in quality loss control and claims services. You often get what you pay for.

91. Direct resources to high frequency and high severity claims areas.

92. Participate in industry and association meetings and

conferences.

93. Negotiate performance guarantees with service providers.

94. Hire private investigators when appropriate.

95. Hire a physician or nurse for a large

concentration of employees in one location.

96. Invest in a good risk management information system.

97. Schedule a stewardship meeting with service providers and key team players.

98. Partner with Midwest Employers Casualty Company. Our sole focus is serving the workers' compensation needs of our clients.

99. Lobby for regulatory changes



that favorably impact workers' compensation.

100. Build relationships with state self-insurance regulators and authorities.

101. Monitor regulatory changes that impact workers' compensation.

For additional information about any of these cost savings tips, please contact Steve Link at slink@mwecc.com. **MW**

*Partner with
Midwest
Employers
Casualty
Company.
Our sole focus
is serving
the workers'
compensation
needs of our
clients.*



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