

Three ways to control workers' compensation loss costs

Cost control and injury management are the basic yet most important management programs that can impact workers' compensation loss costs. Focusing efforts on prompt claim reporting, controlling medical costs and having a plan to get injured employees back to work as quickly as possible can have an impact on controlling your workers' compensation claim costs.

1 Report claims promptly

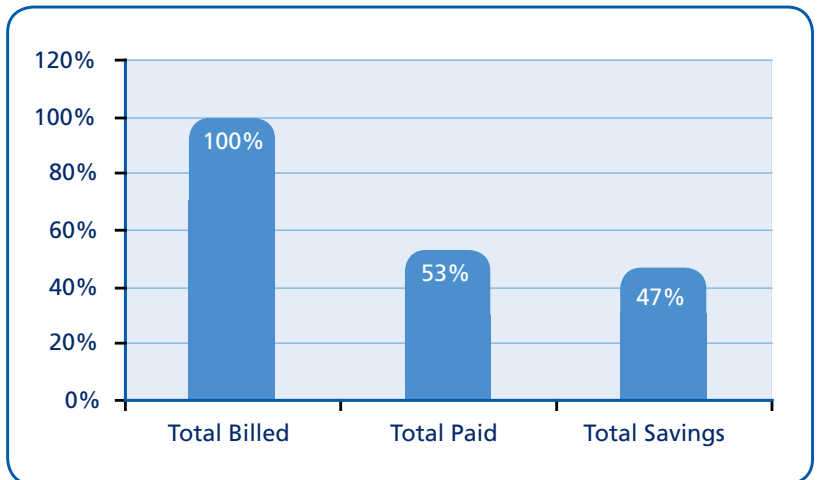
The prompt reporting of employee injury claims can be one of the most effective tools in controlling worker's compensation costs. Delays in claim reporting can lead to delays in appropriate medical treatment, which can impact the cost of medical care, recovery time, wage replacement and return-to-work opportunities. For example, the longer a strain injury goes unreported and medical treatment is delayed, the worse the injury can become resulting in more costly types of medical treatments and longer recovery times.

Employers and employees both must understand the following benefits of prompt claim reporting:

- Enhances claim adjustors' ability to make prompt contact with the injured worker and their ability to provide appropriate medical management
- Decreases the likelihood of fraud by preserving investigative facts that may affect compensability
- Facilitates medical case management opportunities that can help to reduce medical and lost time costs
- Provides for the timely delivery of benefits - a key concern to injured employees

2 Utilize network medical providers

According to current NCCI data, medical costs represent 58% of workers' compensation claim costs. Utilizing network providers is a critical step in controlling your medical costs. Utilization of over 1.2 M providers accessible through Zurich C.a.r.e.[®] Directory Online contributed to total savings in excess of \$528M or 47% in 2010. Channeling treatment to a Zurich C.a.r.e.[®] provider will help ensure that injured employees receive quality medical care and that return-to-work (RTW) is addressed by the physician as soon as medically appropriate. Access Zurich C.a.r.e.[®] Directory Online at www.zurichna.com – Online Services.



3 Plan for return-to-work with a well-engineered process

An important tool for controlling claim costs is an effective return-to-work process. Lost time or indemnity cases have the highest percentage of uninsured indirect costs. Prompt return-to-work by accommodating medically restricted employees the same day or day following the physician's release can reduce the medical, indemnity and legal costs associated with workers' compensation claims, which will in turn impact your company's bottom line.

To measure the success of your return-to-work program, use this formula and watch your results improve as employees are accommodated:

$$\frac{\text{Total \# of claims with employees working modified duty}}{\text{total \# of open indemnity claims}} = \% \text{ of Your return-to-work (RTW) success}$$

Focusing on these three areas of reporting claims promptly, utilizing network medical providers and planning for return-to-work can have an impact on reducing your workers' compensation overall claim costs and improving your bottom line. Additional information and services to help you develop and implement programs in these areas are available from Zurich.

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1400 American Lane, Schaumburg, Illinois 60196-1056
800 382 2150 www.zurichna.com

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