



Q&A

John Miskel

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BI: One of the principal responsibilities of corporate risk managers is to protect their organizations' people and property. How should businesses think about keeping their people protected?

John Miskel: Businesses in every industry acknowledge that their greatest resource is their people. Their workers are the ones who create and deliver a business's products and services. Ultimately, the employees are the company. Protecting employees and supporting their contributions entails thinking about the occupational as well as non-occupational risks that they face. Those include workers compensation and disability. There is a growing awareness that workers and their employers can benefit from an integrated approach to those areas. We are starting to see that employers are in need of managing their human capital costs along with complying with changing federal and state regulations.

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Why IDM makes sense today

Integrated Disability Management helps employers with costs, compliance

BI: Integrated disability management, where workers comp and long-term disability are coordinated, is not a new idea. Why should employers consider that approach now?

John Miskel: Historically, most human resources and risk management departments have operated independently – disability fell under the HR and benefits program, while workers comp was a concern of risk management. Until now, there was no real solution to bring those two areas together in a way that recognized their common ground. Why is now a good time to revisit IDM? A lot has changed in the past 20 or so years. The advent of the Family & Medical Leave Act, the Americans with Disabilities Act and forms of paid leave have created a need for employers to look closer at absence management. Where an employee leave is due to a workplace injury or illness, there are greater compliance obligations today than when the integrated concept started in the early 1990s. The Department of Labor and the Equal Employment Opportunity Commission have begun to emphasize regulations that bring occupational and non-occupational leaves together. Instead of focusing on one or the other, employers now have to think more about both, and an integrated management approach makes a lot of sense.

BI: What should risk managers and benefit managers do differently in this new environment?

John Miskel: Risk managers and benefit managers need to work together more closely to ensure their companies are in compliance with regulations in order to avoid fines by the DOL and EEOC. But also to ensure that the employee that is losing time has access to occupational/non-occupational coverage or that there is some consideration for any number of the state or federal leave types. Beyond that, managers should be looking for more data that can identify absence patterns across the organization, so solutions can be derived in order to minimize interruptions to production activities.

BI: What tools are available to help with integrated disability management?

John Miskel: There are a lot more portable, cloud-based claim technologies today that enable insurance carriers and third-party administrators to coordinate data. Technology has made it a lot easier

to share data in situations where laws allow. The Health Insurance Portability & Accountability Act still restricts the exchange of certain information. There are tangible advantages to using data to clearly see loss costs and the costs of human capital. For example, if an employer merges absence management data with short-term and long-term disability and workers comp data by location, by department or by division, it can create an entirely different view for risk managers who are focused on loss costs. By the same token, a carrier that handles the workers comp and disability claims and data can be a better partner to help the employer understand what's driving absences so that changes can be made.

BI: What are the keys to a successful integrated approach?

John Miskel: For IDM to work, employers need a proper solution that is built to produce a claim process and data flow that achieves the goal – of compliance consistency, real-time data regarding “today's” available workforce and targeted strategies for safety and productivity. The ultimate litmus test is: what is the employee experience? There is a strong correlation between employee health conditions and work-related injury. Looking at that kind of data and the propensity of specific populations by location to be absent from work, in conjunction with workers comp loss experience at those locations, could be a good indicator of multiple problems. The employee experience when out on a leave is equally important if return to work is a concern for the employer. Fundamentally, for most employees, workers comp or disability leave is a traumatic event. Employers have a responsibility to make sure these employees don't fall through the cracks. For example, on the workers comp side, if the claim is denied then the employee might also be entitled to disability and leave benefits. A well-executed IDM program can have a huge impact on the lessening of litigation just by providing information to the employee regarding options.

The opportunity for IDM that existed in the 1990s still remains an opportunity today. However, FMLA, ADA and increased compliance risk have created a much greater need for the integration of occupational and non-occupational programs than what existed in the past. What we are building at Zurich will be at the forefront of innovation in this area so that we can continue to be the trusted advisor that our clients have come to expect. •

*Disability insurance coverage issued in the United States in all states except New York is issued by Zurich American Life Insurance Company, 1400 American Lane, Schaumburg, IL 60196, and in New York is issued by Zurich American Life Insurance Company of New York, One Liberty Plaza, 165 Broadway, New York, NY 10006. Products and features may not be available in all states and may vary by state.