The Basics of Risk Management & Workers’ Compensation

April 21, 2021
Today’s Speakers

Tracy Stendardo
VP of Risk Control with Captive Resources

Tom Szarek, CPCU, AIC
VP of Claims Services with Captive Resources
Risk Management Overview

• Process of minimizing or mitigating risk
  • Hazard Identification
    • What conditions or circumstances could negatively effect your workplace?
  • Risk Assessment
    • How likely are the identified hazards to cause an injury or incident?
    • How sever will the consequences be?
  • Risk Mitigation
    • What can you do to reduce the risk to acceptable levels?
Safety Management vs Risk Management

**Safety Management**
- Identify and Analyze the Hazard
  - Involves front line
- Develops methods to eliminate and/or control hazards
- Implement chosen method
  - Executive management sign off
- Monitor results/make changes
  - Front line and mid-level management for monitoring

**Risk Management**
- Identify and Analyze the Hazard
- Examines feasible alternative risk management techniques
  - Requires Executive Management Involvement
- Selects best risk management techniques
- Implements chosen techniques
  - Require Executive Management commitment
- Monitor results
  - Utilizes Executive Management for monitoring
Safety – Risk Manager

• What role do you play when it comes to Work Comp
  • Understand the Work Comp process
  • Monitor claim activity
  • Understand injury management concepts
  • Implement programs to assist the process
  • Allocate claim cost
Workers’ Compensation Coverage

• Part A – Statutory
  • Lost Income
  • Medical Costs
  • Rehabilitation Expenses
  • Death Benefits to Employee’s Dependents

• Part B – Employers’ Liability
  • Gross Negligence
  • Third Party Over Actions
  • Loss of Consortium
  • Consequential Bodily Injury
  • Dual Capacity
Investigation

- Employer completes internal investigation
- Witness statements
- Surveillance or drive cam video
- Police report
- Identify any potential responsible third parties
- Adjuster completes three point contact
- Make compensability decision
Management of the Claim

• Keep lines of communication open

• Adjuster manages claim on day to day basis

• Utilization of resources to mitigate exposure
  • Nurse Case Managers
  • Social Media Search/Surveillance
  • Independent Medical Exams
  • Defense Counsel
Resolution of the Claim

- Closure
  - No issues. No additional benefits owed.
- Permanency
  - Disability rating provided
- Settlement
  - Agreement is reached
- Mediation
  - Used in attempt to reach settlement. Can be binding or non-binding.
- Trial
  - Unable to settle
Workers’ Compensation Costs

• NCCI studies have shown that:
  • 52% of claims costs can be attributed to lost time from work
  • Attorney involvement increases with extended lost time from work
  • Claim costs increase 15%-20% with attorney involvement
  • The average duration of care for work related cases is approximately four times greater than non-work related cases
Benefits of Return to Work Program

**Employer**
- Mitigating Cost
  - Injury Cost
  - Hiring Cost
- Retain a skilled workforce
- Productivity return

**Employee**
- Engagement
  - Keep motivated
  - Shorter Recovery Time
- Job security concerns eliminated
- Wages
- Retain Job Skills
Challenges of Return to Work

• Uncooperative injured worker
• Uncooperative attorney
• Physician that doesn’t understand the job duties
• Possibility of a reaggravation as a result of return to work that can delay a full recovery
Return to Work Policy

• Designate someone to be the RTW coordinator
• Determine Max length of time for Modified Duty
• Communicate the policy
  • Manager/Supervisors expectations
  • Front Line Workers – process, the whys, and how it will help
• Accountability
  • Manager/Supervisor – Budget hits
  • Employee – loss of wages and/or job
Safety – Risk Managers Role

• Implement RTW policy

• Communication
  • Injured employees
    • Check in regularly with them
    • Have supervisor/manager check in with them
  • Medical providers
    • Understand work employee does
    • Modified duty available
    • Invite medical providers to your facility

• Claims Adjuster
Return to Work - Assignments

• Plan Ahead
  • Develop Job Safety/Task Analysis
    • *Start with the most frequent injury positions*
  • Physical Demand Analysis
• Make assignments productive
  • No paper clip counting
• Modify or do part of their jobs
• Utilize for work that rarely gets accomplished
  • Talk with employees – what is piling up
• Cover for absent employees
• Utilize 3rd party services
Return to Work Consideration

- Confirm work restrictions
  - Employee
  - Medical provider
- Ensure employee understand job duties and restrictions
- Retrain employee as needed
- Communicate and monitor improvement
QUESTIONS?
Thank you!

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