

BIAW claims costs below state average

In the July 2005 issue of *Building Insight* you read how the time loss benefit rate for injured workers rose another 0.6 percent thanks to the cost of living adjustment. You also saw that the number of days injured workers are collecting time loss benefits has consistently increased—injured workers are now averaging a whopping 240 days off work in Washington State.

But, the news isn't all bad. For employers participating in BIAW's Return On Industrial Insurance (ROII) program, the average number of days lost is substantially lower than the state average.

According to figures from the state Department of Labor & Industries (L&I), over the last five years the number of days all injured workers in the state collected time loss benefits climbed from an average of 190 days to 240 days (the average throughout the five year period was 216 days). During the same period, the average number of days injured workers in the ROII program collected time loss benefits was 162 days. ***This is a dramatic difference of nearly 34 percent from the state's average.***

But it is not luck that got the BIAW ROII program to this point. Every day BIAW's ROII members step up to the plate to do whatever is needed to keep the number of time loss days to a minimum—and some of the most important components of cost containment occur before claims are ever filed.

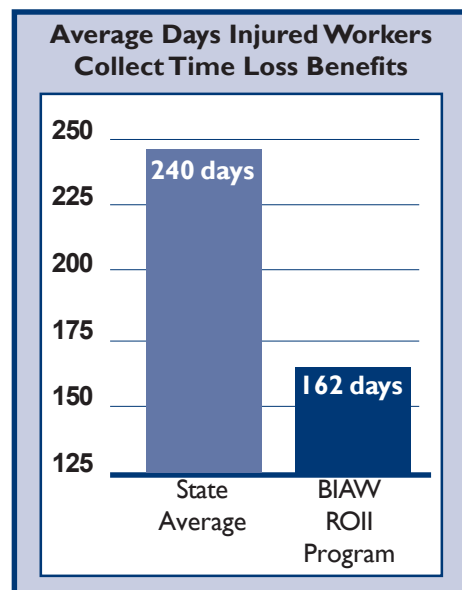
Be Choosy About New Hires

Loyal, long-term employees tend to not get injured as often, or as seriously, and usually return to work quicker than disgruntled or unattached employees. Strict hiring practices are a good start towards maintaining a loyal work force, so take your time when hiring new workers. Screening all prospective employees by at least contacting prior employers and references is an important part of the hiring process. Hurrying the hiring process by taking short-cuts can result in "hurried hires" who might hurt your bot-

tom line—a common problem from so-called "hurried hires" are previous injuries that are mysteriously aggravated by working for you after a short period of time.

Keep Your Workers in the Loop

Provide your employees with data and information about how claim costs impact the bottom line of the company. Explain that every time an on-the-job injury claim is filed it increases the company's Experience Modification Factor (EMR), which impacts the company's workers' compensation taxes, which in turn impacts their income. The



higher a company's EMR, the higher their workers' comp taxes.

Employees should understand that EMRs affect a company's income in a variety of ways. For instance EMRs are used by general contractors to determine whether subcontractors will win bids on large jobs—if a company's EMR is too big, they are out of the running. Losing a bid may mean the unemployment line for some employees.

Stress that the higher the injury costs the less money there is available for raises, health care coverage and other benefits.

Accidents Do Happen

Providing a safe work environment is a pro-active key to keeping workers happy, productive and free from injury. But even the safest work place isn't immune from accidents—and if an accident occurs, the state Department of Labor & Industries (L&I) is going to get involved. But employers can control, to some extent, how the claim is handled when an accident does occur.

Employers have the choice of stepping back and allowing L&I to take control of the claim, or they can work in partnership along with the L&I claim manager, the doctor and the injured worker. The hands-on approach will typically yield the best results. Of course, ROII member companies have the advantage of having a BIAW Claims Specialist to help in this process—just one of the benefits of ROII membership.

When an Accident Happens

When an injury does occur, have the forms from the ROII packet available for the supervisor and injured worker to take to the doctor. Have job descriptions for the job of injury as well as one or two light duty jobs available immediately for the worker to give to the doctor on their first visit. When the worker is released to light duty, provide a **written** job offer. If the worker declines the written offer, time loss benefits stop (the offer must be in writing for time loss benefits to cease). If the worker accepts, communicate regularly with the worker and the doctor until the worker is released to full duty.

Going the Extra Mile

Many companies are willing to contain costs by doing even more. They pay injured workers their usual wages through a Kept on Salary (KOS) program. Paying the injured worker while implementing a light duty return to work program keeps indemnity or time loss costs off of the company's L&I account. For some companies, the short-term cost associated with KOS is lower than the long-term impact of an increase in their workers' compensation taxes.

If you require assistance with your workers' compensation cost containment program call your BIAW Claim Specialist at 800-228-4229. 