

The Best Way to Lower Workers Compensation Costs

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One of the biggest expenses companies face today is workers' compensation insurance, which covers expenses associated with injuries employees may receive while on the job.

Since 1989 (the first year data was tracked), workers compensation costs have grown 15% annually.

Therefore, it benefits any business to work to reduce these costs. There are two key ways to lower your workers compensation costs:

- Prevent claims.
- Actively manage claims to get injured employees back to work quickly.

Prevent Claims

The best claim is no claim when it comes to workers compensation. Direct workers compensations claims are expensive, but what you may not have considered are the indirect costs of on-the-job accidents and injuries. You may have to 1) repair damaged equipment and/or property 2) hire and train replacements 3) deal with lowered employee morale and absenteeism. All these lead to lower productivity and more money.

Therefore, instituting a safety program that can help you identify and eliminate workplace hazards (that may cause accidents) can provide an excellent return-on-investment. For example, it has been shown that [for every 1 dollar invested in injury prevention, businesses see a 2 – 6 dollar return](#).

Plus it can be a strong recruiting tool, showing that your company is committed to providing a safe work environment for employees. Most people are not looking to get injured while on the job.

But, a safety program has to be more than just a document. Only by establishing a “culture of safety” – through the support of executive management and proper training – will there be a real difference in employee safety, which will (in turn) control your workers’ compensation costs.

Actively manage the claim and get the employee back to work

Companies without a return-to-work program will have higher costs because of the skilled employees’ time away from work. If your organization does not have a Return-to-Work Program, develop one now before it is actually needed. The program needs to be managed by someone who knows and understands employment law (including ADA and FMLA), but everyone within senior management needs to understand their authority and responsibility as well.

As time progresses, consider offering options and flexibility to the employee as well, in terms of scheduling adjustments and various accommodations that could be made to help ease the employee back to work while recovering. Be flexible and fair in accommodating additional medical needs as recovery progresses but keep appropriate documentation of every decision along the way. When necessary, do not hesitate to get employee acknowledgements in writing.

At Snelling we can help. We understand the issues that companies face today. So whether you are looking for temporary workers to help you handle a period of high demand or looking for guidance with your most difficult employee issues, Snelling has the know-how and the experience to help. So [contact us](#) today and let’s get started.

**NOTE: *This article does not constitute legal advice. Consult employment counsel with any specific questions, and be sure to check all local and state laws, which may vary significantly.*