

Early Reporting of Workers' Compensation Claims Saves Money

Rising medical and lost-time costs on claim-reporting delays have made prompt reporting an even more important tool to control workers' compensation claim costs.

According to a new study by The Hartford Financial Services Group regarding the average loss payment for accidents between 2000 and 2003, the earlier a company reports workers' compensation injuries, the lower the claim costs are likely to be. Results revealed that waiting to file claims a month or more after an injury can cost an average of 48 percent more to settle than those reported in the first week. In fact, a week's delay can increase claim costs by 10 percent. Specifically, reporting back sprain and back strain during the first week can save an average of 25 percent of medical and lost-time costs. Contributing to the cost increase are more expensive pain-management techniques, higher priced drugs and greater use of physical therapy and chiropractic services.

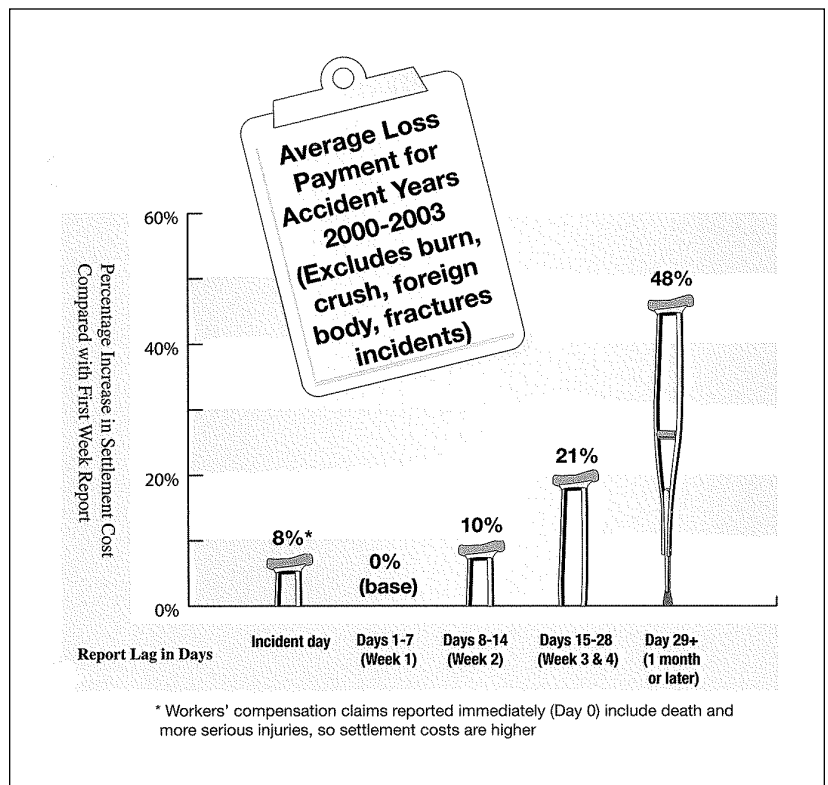
During their study, The Hartford analyzed more than 41,000 lost-time workers' compensation claims filed between 2000 and 2003. About two-thirds of them fell into three main categories: back injuries, carpal-tunnel syndrome and other nerve disorders, and miscellaneous injuries. The study excluded claims for open wounds, fractures and dislocations, which are almost always reported within 48 hours of occurrence.

Delayed claims impact Illinois businesses in particular, because longer periods of benefits paid for a back strain case are given higher permanency settlements. Late reporting delays treatment, recovery time, cost of medical care, and wage replacement, which can affect when an employee will return to work. Injured workers getting immediate treatment:

- Have fewer complications from the injury
- Receive better treatment from high quality medical care providers, near the work place or home, due to the likelihood of being in the carrier's PPO network
- Avoid having to hire a lawyer due to frustration of dealing with the medical situation

Early reporting procedures can help employers in the renewal process. If an employer has an excellent reporting record, it will be easier for the broker to secure the best terms, conditions, and pricing.

Please contact your Mesirow Financial representative if you have any questions or concerns about this topic.



Source: The Hartford Financial Services Group (NYSE: HIG)

This article is intended as an overview and should not be viewed as legal advice. Please consult with your attorney if you have questions regarding this topic.