

How to...better manage, prevent worker comp claims

ASHBURN Va. — The best claim is no claim when it comes to workers' compensation, but when claims do occur there are a variety of strategies companies can pursue to manage their costs, says Julie Croushore, director of risk management with National Interstate Insurance Co.

Speaking at the United Motorcoach Association ninth annual Safety Management Seminar here last month, Croushore encouraged companies to take a proactive approach throughout all their operations to encourage a culture of safety to avoid accidents that could lead to injuries and potentially expensive workers' compensation claims.

"The key to controlling your worker comp costs is to prevent them from happening," she said. "The best claim is not to have one."

Workers' compensation claims have a number of obvious direct costs associated with them, but there also are hidden costs, such as the expense of having to hire new

employees and train them, diverting managers' time to investigate and deal with claims, potential business interruptions, and lower employee morale.

The best way to avoid such disruptions is to establish a culture of safety throughout the entire organization.

"It's about shaping the culture, it's about management attitude toward safety," she said.

Where to start: Dispatch

One good place to start, Croushore observed, is with dispatch and operations.

"When I go to companies, usually where I find the weak link is in the dispatch office," she said. "If we're not training our dispatchers how to communicate with our drivers, or we're not training our dispatchers to dispatch safely, if we're not looking at our routes and runs, we can have a major incident."

Furthermore, dispatch is a key link with bus drivers in establishing a companywide culture of

'The key is prevention, figuring out why your claims are occurring so they don't happen again.'

safety. Dispatch has regular contact with drivers, so if dispatch buys into a culture of safety, they will share it regularly with the drivers.

"Who touches the driver every day?" she asked. "Who has communication with the driver every day? Dispatch. So if dispatch is not part and parcel of your safety team, you're missing the boat."

Training is also key, as is having safety procedures in place, she noted.

"Does your pretrip checklist include checking the wheels?" she asked the audience. "Does your

pretrip checklist include how to safely bend to observe the wheels under the bus, or does it just say check the wheels? So where in the course of training do we detail how to do it safely?"

By incorporating safety procedures into company operations, managers can use progressive discipline for safety violations to further drive home the culture of safety. But training on those safety procedures need to be in place before disciplining employees.

"You can utilize progressive discipline for safety violations, but you can't set up your employees to fail," she said. "If your employee doesn't know the safe way to do it, you can't reprimand him for not doing it in a safe way."

Hiring right

Another way to manage workers' comp claims is by anticipating potential problems during the hiring process. By properly screening new hires, it may be possible to either avoid or minimize future claims, Croushore said.

For example, if a company is considering two possible candidates as a driver, look at each candidate's educational and employment history. The candidate with more education and a more diverse work history could be cheaper in the event of an on-job injury and subsequent claim, she said. If that worker becomes disabled and may no longer drive a bus, there will be other work skills available to fall back on, which saves on retraining costs, she said.

Also, pre-hire physical evaluations are a good idea to confirm a job candidate can, in fact, perform the necessary duties of the job.

Specifically, consider requiring as part of the hiring process a functional capacity physical test, which is done in a physical therapy clinic or an occupational therapy clinic, Croushore recommended.

"That evaluates whether or not your new hire can physically perform the duties of the job," she said. "So, if you're a coach operator that requires your driver to lift

and load luggage, or you're a shuttle operator running back and forth to the hotel and your driver is lifting those 50-pound suitcases or bags of golf clubs into the back of the shuttle, you need to be able to determine if your drivers can physically perform that without injury to themselves."

Getting it wrong is costly

Croushore related the experience of a petite woman bus driver, who within a few months of being hired, suffered a significant back injury while loading luggage onto the bus. Her claim cost \$208,000.

A pre-hire physical abilities test might have revealed she would be unable to perform the required

lifting duties on a regular basis.

But such tests may only be required of new candidates, or of workers who return to the job after a leave of absence of six weeks or longer, Croushore cautioned.

Were a company to require the test of current workers, who have shown no problem in performing their duties, particularly if the workers are older, that company could face allegations of age discrimination.

Be helpful, compassionate

Still, injuries and claims are eventually going to happen, and when they do it's in every company's best interest to be as helpful and compassionate as possible to

the injured worker and help him or her through the claim's process.

Some of the top reasons employees seek legal representation when they file a workers' comp claim is because they fear they will be fired for being injured on the job. They didn't understand the claims process, or they thought their claim had been denied when it was in fact still being processed, Croushore said.

"Break the language barrier," she urged. "Not only should you help the employee with the claim but, because claimants seek attorneys because they feel you are their adversary and you are not helping them understand the process, you have to be the caring and

compassionate company. You cannot be their adversary."

Procedures are important

That said, Croushore added, just as bus companies have procedures in place for traffic accidents, have a procedure in place for workplace injuries. In both cases investigations are a key element: in crashes to determine who is at fault, in workplace injuries to ensure the claim is valid.

"Approach a work comp claim just the same way you would an auto claim," she said.

A best practice would be to have a company policy requiring a drug test following every injury, she suggested. Very often, tests

will come back positive and, depending on state law, intoxication may be grounds for denying a claim, she said.

Finally, pay attention to what is causing injuries and claims. There may be an identifiable pattern of behavior that is leading to injuries, or perhaps there may be a problem with the choice of equipment used in the workplace. If contributing factors can be identified, they can be addressed.

"The key is prevention, figuring out why your claims are occurring so they don't happen again," Croushore said.