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Sent: Wednesday, March 11, 2015 10:03 AM
To: Adventist Heritage Center
Subject: The Dangers of Delayed Reporting: Lessons From The Overlooked Workplace, Part 2
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Knowing when an employee injury occurs can be a major challenge for the Human Resources departments of organizations who cover multiple facilities over a large geographical region, but a delay in reporting incidents can have serious…

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The Dangers of Delayed Reporting: Lessons From The Overlooked Workplace, Part 2

Posted by Arthur F. Blinci

Last week, Solutions focused on the importance of cultivating a culture of safety by training employees on how to respond in the event of a workplace accident. This responsibility includes prompt notification of all workplace injuries to your organization’s Human Resources Department. Delayed reporting can have serious implications and increase the cost of workers’ compensation claims. This week’s article examines the dangers of delayed reporting.

When an employee is injured on the job, someone must cover the costs of medical care and the time an employee may be away from work. Workers’ compensation insurance provides a no-fault system for the medical treatment and compensation following an on-the-job related injury or occupational illness. However, the incident or illness must be reported for workers’ compensation to take effect.

Covering multiple facilities over a large geographical region can create a major challenge for an organization’s Human Resources office to know when an injury occurs. But a delay in reporting incidents can have serious implications for the organization. Here are three reasons reports should be made without delay.

1. Delayed Reporting = Money Lost

Delayed reporting increases the cost of workers’ compensation claims for an organization. Insurance industry studies show reporting delays can increase the cost of a workers’ compensation claim by as much as 30 percent.

If it takes: The total cost of the claim can increase by:
4-7 days............................................................... 2 percent
8-14 days............................................................. 4 percent
15-21 days.......................................................... 13 percent
22-28 days.......................................................... 23 percent
29 or more days................................................. 32 percent or more*

*based on Liberty Mutual Insurance Data

Prompt and proper handling of workers’ compensation claims can help to lower insurance costs and improve the organization’s loss experience through lower claim costs.

2. Delayed Reporting = Employee Dissatisfaction

When an injured worker does not know how his claim will be handled, it can negatively impact employee morale. Family members can also be confused on how to handle reporting the claim. Both the family and employee can be overwhelmed by the financial impact of medical expenses and lost work time. This often results in the injured employee becoming angry, due to feelings of neglect and even hostility, which often drives them to seek legal counsel to litigate their claim.

Communicate often with the injured employee and family members after the accident. Show compassion and interest in making sure they understand the claim process, medical treatment, and return-to-work procedures. If they have
questions, always work with the insurance company claims specialist to address any concerns or issues.

3. Delayed Reporting = Litigation Risk

A 2004 study by the Hartford Financial Services Group indicated late reporting has a direct impact on claims being litigated. The findings reported 22 percent of injuries reported within 10 days are litigated. This percentage rose to 47 percent of claims that were reported more than 31 days following the injury. Highway billboards and media advertisements reference this with ads that ask the question “Injured at Work? Call our attorneys for help in settling your claim.”

Delayed reporting can also jeopardize the investigation into the cause of the accident. It may also place the employer in violation of state reporting laws. Never delay in filing a first report of a work-related accident with your workers’ compensation insurer. You need to protect both the interest of the injured worker and the employer by promptly filing notice of accidents, making sure injured employees seek proper medical treatment and have their claim professionally handled by the insurance carrier’s claims specialist. In the final installment of this series, the new second report requirements will be covered under the topic of Keeping Up with OSHA.

Delayed reporting can cause unnecessary costs, complications, and hardship for employers and employees. Prompt reporting contributes to building a workplace culture of safety that helps to eliminate the overlooked workplace.

Next week we will go over New Report requirements and keeping up with osha.

References:

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The Cost of Lag Time – Workers Comp Insider, Lynch Ryan, January 15, 2004

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