

Nine reasons for promptly reporting workers' compensation claims

Prompt reporting of all insurance claims is a risk management best practice. Some policyholders mistakenly believe the practice of not reporting employee injuries to the insurance company is a wise business decision. The practice of not reporting employee injuries as workers' compensation claims or in self-administering claims is strongly discouraged.

There are at least nine major benefits for promptly reporting all employee injuries to your company's workers' compensation insurance carrier:

1. A major benefit of reporting all claims is that minor claims are "warning bells and whistles" or early indicators of underlying deficiencies in safety management that can be corrected before a major incident occurs.
2. The prompt reporting of claims allows the claim adjuster to ensure key evidence is preserved and witnesses can be interviewed in completing a timely investigation of the loss to determine compensability and to determine an appropriate plan of action for resolving the claim.
3. Prompt reporting allows the detection of "red flag indicators" for fraud and determines whether a case should be referred for surveillance or if there is an opportunity to pursue subrogation against a negligent third party.
4. Most states have reporting requirements for insureds to report claims on a timely basis and may impose monetary fines as penalty for failing to report claims.
5. By promptly reporting claims, employers in states that allow employers to direct medical care for workers' compensation can take advantage of providing injured employees quality medical care at Preferred Provider Organization clinics.
6. The prompt reporting of injuries allows medical treatment to occur within specialized occupational medical clinics familiar with treating workers' compensation injuries with a focus on facilitating an early return to work to promote quicker healing.
7. The improved coordination of care between the employer, clinic, insurance carrier and Nurse Case Manager can drive better injury management and claim resolution outcomes by determining appropriate modified duty assignments for return to work.
8. A small percentage of medical only cases ultimately turn into indemnity cases due to unforeseen complications resulting from underlying health risks of injured employees or unusual circumstances. A common example includes infections that are slow to heal in diabetic employees or damaged vision from improperly cleaned foreign object in eye claims.
9. In some states, workers' compensation benefits may be reduced (or altogether denied) if there is confirmed evidence of alcohol or a prohibited drug on a post-incident drug test.

Conclusion

This guideline is intended to help reinforce the benefits of prompt reporting of all workers' compensation claims. Prompt claim reporting is a workers' compensation cost containment best practice. Please contact Zurich if you have questions or desire additional information.

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