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Personnel Notes

"Controlling Workers' Compensation Costs" by Linda Gregurek

Workers' compensation is insurance designed to cover lost wages and medical expenses of employees who are injured on the job. Each state regulates its own insurance system, defines the types of injuries that are compensable, sets the amounts of benefits, establishes the waiting periods for starting benefits, and sets procedures for filing, contesting and settling claims.

Remember, workers' compensation is basically a no-fault system. Employees can collect benefits just by proving they were hurt on the job during the course and scope of work, either through fault of their own or fault of the employer. As states have broadened the definition of an injury to include claims such as job stress, and for many other reasons, workers' compensation costs are on the rise! As such, it becomes important to know that cost control can be maintained in a variety of ways.

- Make having a safe workplace a priority.
- Implement a safety program to reduce work-related injuries. The program must include a strong commitment from management in order to be successful.
- Organize a safety committee and hold well-documented, monthly meetings. Discuss and evaluate all accidents and near misses as well as ways to prevent these types of incidents and ensure follow-up.
- Make sure your employees understand and recognize both the benefits that are available and the limitations that exist.
- Have weekly safety meetings with your employees—15 minutes on Monday morning to go over past accidents, review your safety policies, ask and answer questions, etc. This also gives you the opportunity to evaluate each employee after a weekend.
- Choose a clinic that you would send your employees to—meet with the doctors, tour the clinic, etc. Look for x-ray and physical therapy equipment on site. Have the physicians tour your facility so they will know what your employees' job duties are. This helps them make better decisions about when to release your employees to light duty and when to take them off work.
- Implement an "Employee Suggestion Box" that is geared toward safety. Read and respond to each suggestion in a timely and consistent manner. What may not seem important to you may be a major ordeal to someone working in the shop.
- Conduct detailed plant inspections on a quarterly basis (at minimum) and follow up on any problems you find. Your insurance carrier's Loss Control Department should be involved in this as well as your safety committee meetings. They may see something that you take for granted.
- Encourage your supervisors to stay in close contact with an injured employee and let them know that you care. Employees who are monitored are less likely to "fake" an injury.

- Communication will help you avoid litigation and encourage the employee to return to work.
- Establish a “return to work” policy. Light duty can help control your indemnity costs. Have a written job description for each position available to doctors and let them know that light duty positions are available. Communicate with the doctor about what the employee is and isn’t capable of doing. Do your best to accommodate these restrictions.
 - Always stay in contact with your claims adjuster. Let him/her know of any new information you have. Insurance companies have their own investigating personnel and sometimes it may be necessary to conduct an investigation.
 - Document your procedures on how to handle a claim or a near miss. Teach your supervisors how to complete an accurate accident report.
 - Train supervisors to complete their own accident investigation reports. The reports should include:
 - a. When?—Date and time of accident. When report was made to the supervisor or if first aid was delayed.
 - b. Who?—Injured person, occupation, length of employment, age.
 - c. Injury?—Nature/extent of injuries.
 - d. Where?—Exact location the accident occurred.
 - e. What/How?—Description of accident (the more detail the better, what was employee doing, how was it being done, what physical objects were involved, i.e. tools, machinery, etc.).
 - f. Why?—What may have caused the accident (i.e. inadequate safeguards, improper or defective machinery, etc.).
 - g. Prevention?—What action will you take to prevent this type of accident from occurring again.
 - h. Witnesses?—Get a detailed statement from each one.
 - i. Photographs?—If applicable, take pictures of machinery that may have been involved in the accident.
 - Invite the state OSHA into your facility. They can be an invaluable source for federal compliance.

An established safety program will be as important as you make it. If it isn’t important to you, it won’t be important to your employees!

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