

# **ASSP Niagara Frontier**

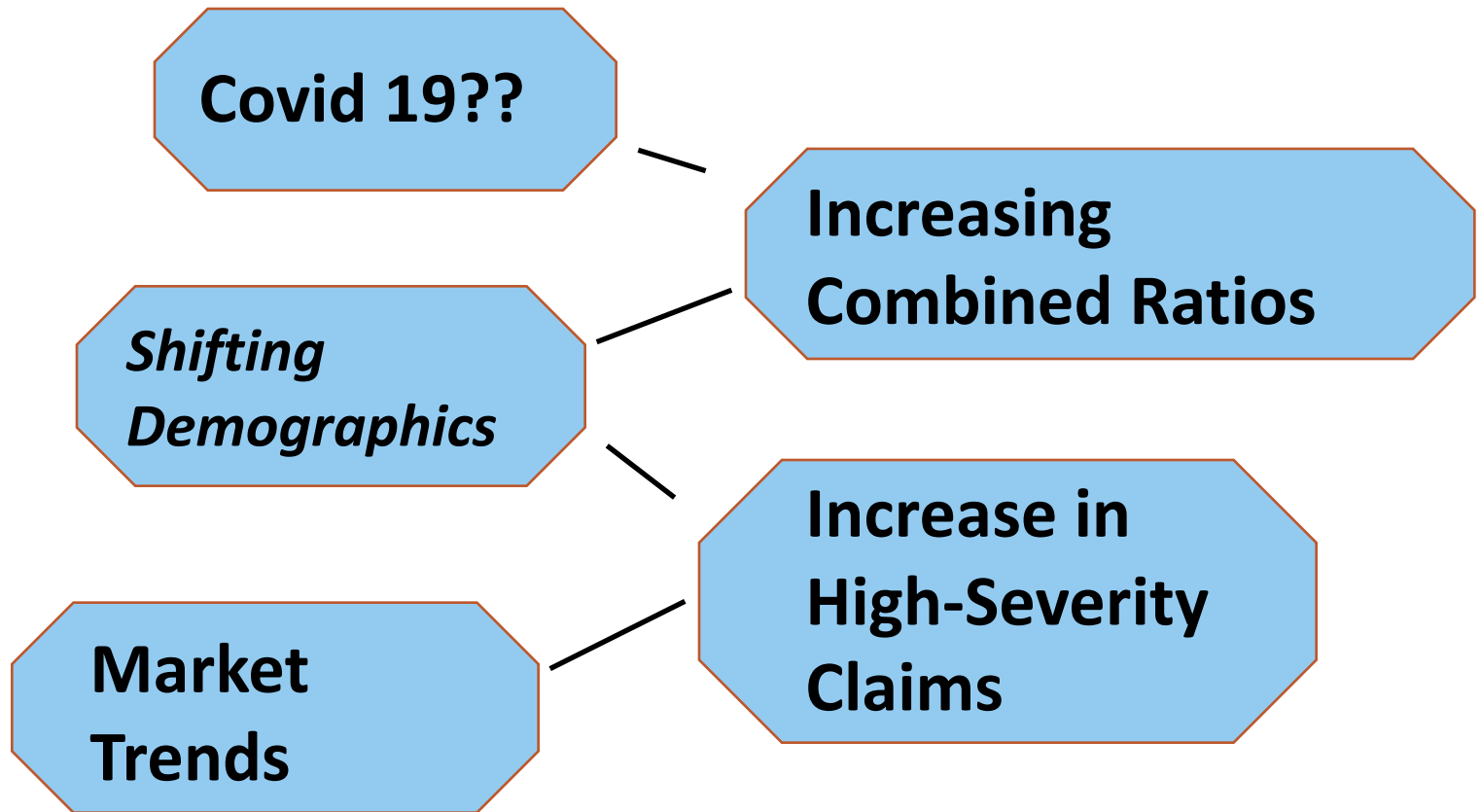
## **WC Claims**

### **Insurance Environment**

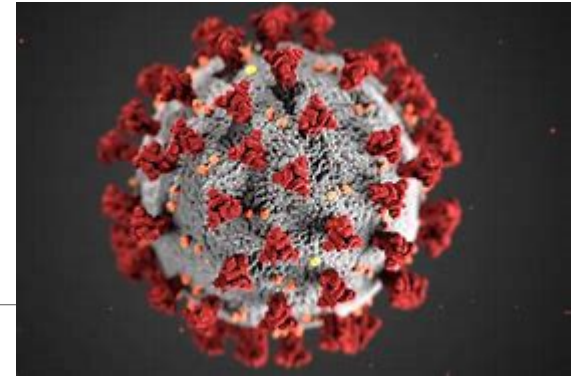
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# What's Driving Current WC Environment



# Covid 19



- Is Compensable
- May be disputed by carrier
- WC Judge may need to decide based on;
  - Testimony of claimant and Medical Provider
  - Workplace Conditions
  - Exposure factors / frequency
- Litigation raises ultimate costs
- Additional Factors
  - Positive test? Symptomatic? Asymptomatic? Multiple exposures? Lasting disabilities?

# Increasing Combined Ratios

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- Total “Operating Costs”
  - Combination of Claims costs, Premium and Investment income, Loss Adjustment Expense
- Premium declines due to shut-downs
- Claims cost increase –
  - Lack of Return to work options.
  - Medical cost increases
  - Diminished care – Rehab options

# Claims Pay Out

- Payment of an injured worker's medical treatment for a work-related illness or injury.
- Wage replacement benefits if your illness prevents you from working.
- Benefits to an employee's surviving dependents in the event of death.
- Reimbursement of funeral expenses (up to \$12,500 in New York City, Nassau, Suffolk, Rockland, and Westchester counties, and up to \$10,500 in the other counties of New York.)
- Claims Settlement –
  - Full Return To Work
  - Stipulation (SLU) agreement
  - Section 32 payout)



# Shifting Demographics

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- Variable Workforces
  - Full time vs. contract
  - Remote Workers = Less oversight
- Aging workforce
  - Usually safer but can take longer to recover

# Increase in High-Severity Claims

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- Advances in Medical Diagnosis process
- Advances in Medical Technology
- Treatment of Soft Tissue Injury
- Higher Accident Survival Rates
- 14% increase last four years.



# Market Trends Impact to Claims and Premiums

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- Uncertain Impacts of Covid 19
- Overall health declines
- Increase in Comorbidities
- Gig Economy
- Higher medical Plan deductibles may drive “cost shifting”



# What can you do?

- Clinic Management – “Evaluation”
- Solid Investigation procedures
- Detailed job descriptions
- Transitional Duty Program
- Rehabilitation Options
- Prompt reporting
- Proactive Claims Management / Partnership
- Workplace Safety – Duh!



# Closing Thoughts - Claim Cost

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- Tillinghast study indicates costs increase by 3% each day a Workers' Compensation claim goes unreported.
- Johnson study indicates costs increase by 7% for each additional lost day
- **Tippett Study indicates that the cost of a claim is reduced by 100% for each accident avoided.**