



# Claim Costs: Tip of the Iceberg

When a workplace injury occurs, workers' compensation will cover the direct claim costs of the injured worker. Direct costs include medical expenses and lost-time wages. However, direct costs are just the tip of the iceberg. The employer is left with incremental costs that are indirectly associated with the injury. According to the Occupational Safety and Healthy Administration (OSHA), these can be up to 4.5 times the direct costs.

Below outlines the total costs involved in a claim:

## Direct Costs

- Medical
- Lost time wages
- Permanent disability
- Death benefits

## Indirect Costs

- Training costs for new worker
- Time and cost for cross training
- Temporary worker costs
- Overtime
- Extra supervisory time
- Additional clerical and HR time
- Employee morale initiatives
- Negative public image
- Legal fees and costs
- Building damage
- Damaged tools and equipment
- Product and materials damage
- Production delays
- Cost of hiring new employee

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Preparing your workplace with the appropriate loss control risk-mitigation measures and claim support can significantly improve your risk and cost of these injuries. CompWest has a suite of services to help eliminate risks and manage claims.

- Loss Control Consultants – personal, unrivaled safety services and support to policyholders.
- Internal Nurse Case Managers – ensure the worker receives the best care while assisting in early return to work which helps to reduce claim costs.
- Corporate Medical Director – in-house medical director provides guidance and strategic direction to focus on improving the quality of care for injured workers.
- TeleCompCare – a 24/7 nurse triage hotline that provides injured workers with access to quick medical assessments.
- Pharmacist – works closely with our claims team on medication recommendations.
- Investigative Services Unit – our team of former law enforcement professionals partner with our claims team to investigate and expose potential fraud.
- Claim Handlers – understand their local legal and medical environment and can guide the injured worker through the recovery process.
- Medical Bill Review – collects all injured worker bills to review for accuracy.
- CARE 2.0 – 95% of disputed claims will actually settle before going to trial.
- Keep at Work (KAW) – proprietary program shortens the duration of disability and assists in keeping injured workers functioning effectively in the workplace.

These leading-edge claims management and loss control resources are value added services that can successfully reduce costs for our policyholders. And we can prove it.

The data at below illustrates the impact we can have on new business with an experience mod over 1.25. On average, a policyholder with an initial ex-mod >1.25 who has been with CompWest for at least four years will experience a 29% reduction\*.

\* Based on 2005-2022 policy year data.

**Average Ex-Mod by Renewal Year**  
(new account with ex-mod >1.25)

