

## These Voluntary Benefits Decrease Client Workers' Comp Claims: Report

Caitlin Bronson | 04.08.2014

There are many ways agents can slash workers' compensation costs relatively painlessly, but nothing works as well as reducing overall claims. A client with fewer workers' comp claims qualifies for a better experience mod and lower rates, as well as a wider range of carriers from whom to purchase insurance.

Lowering comp claims has traditionally been a matter of taking proactive safety measures, but a new report suggests adding two additional insurance products to a client's account can also help.

According to the IBS Workers' Compensation Report, 42% of all companies providing voluntary accident and disability insurance report declines in their workers' comp claims—some of up to 50%.

Roughly 17% of employers offering voluntary accident insurance and 15% of those offering disability saw claims declines of 25% to 49%. The declines were most frequent for large employers, 55% of whom noted a corresponding decline in workers' compensation claims. 34% of small- and medium-sized companies reported the same results.

The report provides ample reason for independent agents and brokers to start pitching more voluntary products.

For years, insurance agents and brokers have heard anecdotal rumors linking accident and disability insurance to reduced workers' compensation claims, and we learned the anecdotes are true based on our recent study results. These findings confirm the correlation [and]...employers can now weigh the potential positive financial effects of offering accident and disability insurance against the costs of workers' compensation claims.

Rebecca Shafer, president of AMAXX Risk Solutions and author of "Your Ultimate Guide to Mastering Workers Comp Costs," told Insurance Business she couldn't argue with the findings.

"I do think that [offering accident and disability] would probably help to remediate an employee that has an illness or injury," Shafer said. "It could be that workers' compensation is seen as a more difficult avenue for employees to be reimbursed, so they would possibly choose the alternative avenue of filing an accident or disability claim."

In making the choice to file through disability or workers' compensation, Shafer said it is important to determine the cause of the injury. Workers' compensation carriers may not "go along willingly" if there is any doubt the injury is work-related, which could complicate the claims process.

As such, an agent or employee HR director should be consulted, she said.

"They can get involved in the conversation and steer the employee towards the most appropriate remedy," Shafer stressed. "It's not always clear at the outset what the cause of the injury is, which could raise workers' comp questions."

The survey was conducted by Lieberman Research Worldwide. Researches asked 600 small, medium and large US employers if they had offered accident or disability insurance to their workers, whether they saw a corresponding decrease in comp claims and the relative size of that decrease.