

WORK COMP INSIGHTS

The Importance of Prompt Claims Reporting

The rising cost of claims present a significant challenge for employers today. However, there is a simple strategy that can significantly reduce your claims costs; report all claims promptly.

In fact, the sooner a claim is reported, the lower the cost is likely to be. Beyond cost, reporting claims promptly can help avoid unnecessary conflict with insurance companies, ensure a proper investigation, preserve employee morale and maintain compliance.

Minimize Cost

It's no secret that delayed reporting of claims can add up to unnecessary costs for employers. Studies show that the longer it takes to report a claim, the higher the cost tends to be. For example, the National Council on Compensation Insurance (NCCI) conducted a survey and found that claims costs began to climb significantly after a lag time of just seven days. A reporting lag of 29 days or more after the incident resulted in costs that were 49 percent higher than costs of claims reported within a week.

In addition, by promptly reporting claims, day-to-day operations will be able to return to business as usual much faster, which can also save your company money associated with lost productivity.

Reduce Friction with Insurer

Many policies have reporting requirements, so it is possible that a late claim could void your coverage altogether. When your company delays reporting a

claim, the process is much more difficult for a claims adjuster – making it less likely that your company will receive the most advantageous settlement or outcome.

It is also important that the insurer is able to conduct a thorough investigation as soon as possible after the incident. When reporting is delayed, the investigation can be much less conclusive due to faded memories and unpreserved evidence.

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Preserve Employee Morale

Certain incidents can be upsetting for employees, and it is important for your company to demonstrate that you take the matter very seriously and care about your employees. Promptly reporting any claim can go a long way toward preserving employee morale and trust in your company.

Maintain Compliance

There are certain types of incidents that need to be reported not only to the insurer, but also to the Occupational Safety and Health Administration (OSHA). When a recordable work-related illness or injury occurs, the employer has seven calendar days to record it on their OSHA log, Form 300.

Contact SilverStone Group to assist you in establishing effective claims reporting procedures so you can reduce lag time and protect your bottom line.