



Effective Use of Claim Reports

An essential aspect of a successful safety program is knowing where your claims are coming from. Through claims analysis, you can identify prevalent and costly accident types, the need for an update in training material, or the need to refine aspects of the safety program. The monthly claims reports that TWCARMF sends to its members at the beginning of each month provides that insight. The question is, are we utilizing the tools given to us?

Distribution

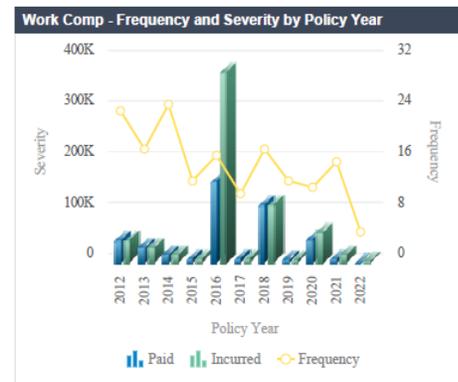
The distribution of the Claims Report occurs at the beginning of each month. It is sent to personnel within your organization authorized to receive it. Over time, transition occurs and the essential staff members on the distribution list are no longer the right ones receiving the information. For that reason, it is important to review your distribution list with Fund staff to ensure the reports are being sent to the correct personnel.

Year to Year trends

In order to gauge how you are doing, you must first look at your past. On the first page of your Claims Report, you will find a list of all claims for the past ten years. All claims encompass workers' compensation, property, and liability. On this page, you can compare year to year trends for total claims, total paid, and total reported, among other statistics. If you see improvement over the last few years, question why that is. Is it because of an improvement in the safety culture, a more proactive approach to building maintenance, a change in policies regarding colleagues and contractors, or a run of good luck? It is important to analyze the trends and compare them to what has really taken place with your safety program, property maintenance, and existing liability exposures.

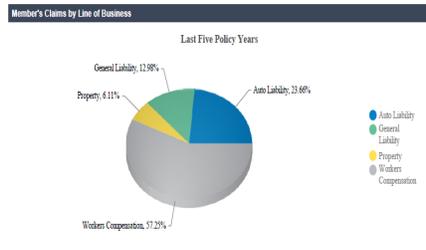
Dashboard

The Dashboard give a graphical and chart breakdown of each coverage type (workers' comp, liability, and property). The first page of the Dashboard will contain three bar graphs showing a ten-year breakdown of how much has been paid, how much has been incurred (paid + reserves), and frequency (claims counts). The biggest takeaway from these graphs is identifying the frequency trend and the more impactful years for claims. A left to right, downward sloping frequency line represents a decrease in the number of reportable incidents. Conversely, an upward sloping line would show an increase. As we did with year-to-year trends for all claims combined, we want to question why. Why



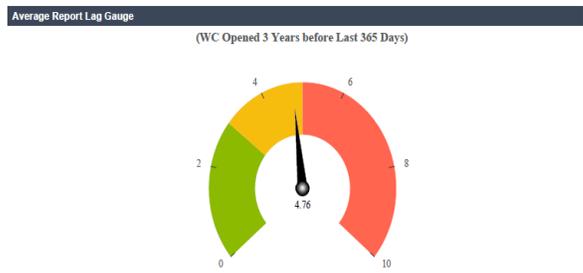
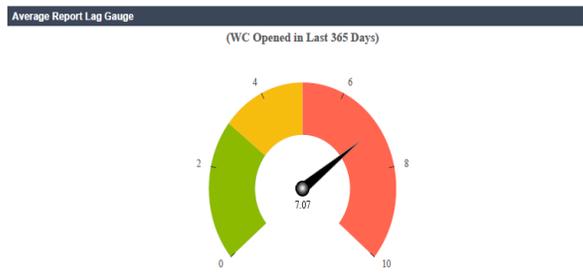
is the frequency decreasing or increasing? Have we done anything different compared to the years with a higher frequency?

The next page will show pie charts with a breakdown of the distribution of frequency and severity for the different lines of coverage. In most cases, workers' compensation will represent about half of the number and cost of all claims. In this section, you will also notice how low percentage of property claims can have quite an effect on the total costs.



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One aspect of claims reporting that many tend to lose sight of is reporting time. This is critical to expediting medical care, payment of benefits, and potentially faster recovery times for the injured employee. The report shows a comparison of the previous twelve months' average versus the previous three years average. Reporting within three days of an incident is ideal but we really want to avoid a reporting metric that shows more than five days. If this is what you see in your reports, it is recommended that the reporting process be reviewed and improved where needed. With reporting, the claim should be filed as soon as you have knowledge of an incident. Do not wait until the claimant wants to file the claim. This simple step will vastly improve reporting time in very short order. The common pitfall is an incident occurring, but the employee feels "okay" and does not want to seek medical attention. However, a week passes and that "area of the body just does not feel right" and the employee wants to go to the doctor.



The Dashboard then transitions to breakdowns showing frequency by day of the week, length of service from the employee, claimant age, body part, nature of injury, and accident type. If you see a skewed bar graph for day of the week, length of service, or claimant age, there are important metrics to consider. For day of the week, things to consider should center around number of staff on high frequency days versus low frequency days. Are there days that require more stringent work than others? For length of service, perhaps your retention is amazing so longer service ranges will have higher frequency. Or it could identify a need for re-training for long term employees or improved training for new hires.

The most important of them all is the breakdown of the cost breakdown for accident types or Top Causes. We want to know what accident types are driving our costs. How can we address the problem if we do not know? The most common are slips/trips/falls and strains/sprains but the other types should not be ignored. Also, consider if there are outliers in your metric, like a severe incident. Also, was anything changed after the outlier occurred. Are there other outliers waiting to happen within other accident types?

The Dashboard also shows a comparison between your entity's workers' compensation trends versus the Fund's in Average Cost per Claim and Average Days Open. This is a good way to measure your performance relative to the rest of the Fund. Are your numbers higher or lower? For Average Days Open, our ultimate goal for injured employees is to return to work as quickly as possible at one hundred percent. Studies have shown that the longer an injured employee remains away from work, the less likely they are to return to that job. If your numbers are high relative to the Fund or where you would like them to be, take a look at the framework of your Return to Work policy. Analyze the policy to ensure that it enables employees to return even in a limited capacity with restrictions. Having a list of tasks readily available helps with this process as does constant communication between the injured employee and their supervisor.

The report concludes with a list of open claims and description of each individual claim. Take the time to read these descriptions. Look for trends, training opportunities, potential process changes, or any other factor that may be relevant.

We all want to have low claim numbers but simply wishing it to happen is not a winning strategy. Instead, we should use the tools provided to us to make informed decisions to improve our numbers. The claims report is one such tool that provides quite a few metrics that can help. The report should be viewed as the starting point to improvement. It can shine light on areas that we may not have realized were lacking. In addition to your own analysis of these monthly reports, the Fund's Risk Control staff can also assist with analysis of the report, task analysis, safety audits, policy development, and training.