



Risk & Insurance | Employee Benefits | Retirement & Private Wealth

# Workers Compensation 101: Building a Safer, Stronger Workplace



## **Sam Miglieri, CSP, CHST, CRIS**

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Risk Consultant, HUB International



## **Greg Deany**

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Senior Claims Advocate, Strategic Claims Practice, HUB International

# Module 1

## What is Workers' Compensation



# What is Workers Compensation?

- Workers' compensation is a system of state laws that originated in 1911.
- These laws provide medical care and compensation to injured workers on a no-fault basis.
- Workers' compensation laws operate in all 50 states, in the District of Columbia, Puerto Rico and the Virgin Islands.
- In four states (North Dakota, Ohio, Washington, Wyoming) coverage is provided by a monopolistic state fund.
- Texas is the only State that does not require mandatory workers' comp

# Workers' Compensation Laws

- WC Provides:
  - Coverage of medical expenses and income protection for those who must be absent from work due to work related injury
  - Limited compensation for serious permanent injury or loss of life
- Employees cannot seek damages through a separate tort suit against the employer because workers' compensation is the **Exclusive Remedy** for on-the-job injuries.
- Employers are prohibited from retaliating against any employee because he/she has filed a claim or received benefits under the law.



# Workers Comp Jargon

## **TIB's**

temporary income benefits

## **TTD**

temporary total disability

## **TPD**

temporary partial disability

## **PPD**

permanent partial disability

## **PTD**

permanent total disability

## **MMI**

maximum medical improvement

## **IME**

independent medical evaluation

# Experience Modification Rate (EMR)

A comparison is made of past claims history to those of similar companies in your industry.

Insurers examine your history for the Three years prior to the end of end of the current policy.

If you've had a higher-than-normal rate of injuries in the past, it is reasonable to assume that your rate will continue to be higher in the future.

# Effects of an Experience Modifier

	Average	Below Average	Well-Managed Risk	Poorly Managed Risk
<b>Experience Modifier</b>	1.00	1.50	0.65	2.50
<b>Manual Premium</b>	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
<b>Formula</b>	\$1,000,000 X 1.00 = Final Premium	\$1,000,000 X 1.50 = Final Premium	\$1,000,000 X .65 = Final Premium	\$1,000,000 X 2.50 = Final Premium
<b>Final Premium</b>	\$1,000,000	\$1,500,000	\$650,000	\$2,500,000
<b>5-Year Premium</b>	\$5,000,000	\$7,500,000	\$3,250,000	\$12,500,000
<b>5-Year Additional Costs or Savings</b>	0	+\$2,500,000 Additional costs	(\$1,750,000) Savings	+\$7,500,000 Additional costs

# Employer and Employee Responsibilities

## Employer

Report promptly  
(1-2 lag days)

Provide first aid / medical care

Cooperate with insurer

## Employee

Report Injury

Follow treatment plan

Provide documentation

# Red Flags & Fraud Actions to Take

**Request IMEs  
and Peer Reviews**

**Cross-reference  
Medical Records**

**Review  
surveillance  
footage if available**

**Check  
social media**

**Special  
Investigations  
Unit (SIU)**

# Module 2

## Building a Supportive Workers' Compensation Culture



# Why Culture Matters

## Supportive WC Cultures

Report fewer claims

Have shorter claim durations

Retain employees post-injury

## Negative WC Cultures lead to:

Delayed reporting

Legal involvement

Poor outcomes and morale

**“Culture eats policy for breakfast.”**

# Characteristics of a Supportive WC Culture

**Proactive**  
leadership involvement

Clear and  
**consistent** policies

**Open-door**  
reporting environment

**Non-punitive**  
attitude towards injury  
reporting

**Transparency** in  
the process

# Role of Supervisors and Managers

**First responders to injury – set the tone**

## **Need training on:**

Injury response

Empathetic communication

Documentation basics

## **Supervisors must avoid**

Blame

Minimization

Disbelief

# Communication Strategies

Communicate WC expectations during onboarding and trainings

Normalize reporting injuries early

Use clear, simple language about the process

Communicate care: “We want you well, not gone.”



# Real-World Example

**Contractor with 250 field employees was struggling with high claim injury costs and prolonged employee absences.**

- Safety program was reactive – only after incidents
- Frontline supervisors were not trained on RTW policies or incident response.

## Result

**High frequency of losses, high severity rate, hesitant reporting, lack of understanding and trust.**

# Real-World Example



Leadership got involved, communication channels opened, positive reinforcement early and often for timely hazard reporting

Supervisor Training

Supported early reporting and fast RTW

## Results



**“Culture is measurable. Invest in your people!”**

# Module 3

## Healthy Return-to-Work (RTW) Culture



# What is RTW Culture

RTW is not just about returning quickly – it's about bringing them back **safely and supported.**

Both an **administrative process** and a **cultural commitment**

# Benefits of a Strong RTW Program

## For the employee

Maintains purpose and income

Aids mental health during recovery

Cooperate with insurer

## For the employer

Reduces indemnity costs

Lowers risk of long-term disability

Boosts retention

# Key Elements of a Healthy RTW Culture

## Modified duty roles

Pre-identified and communicated

## Clear process

From physician release to role assignment

## Employee involvement

Give them a voice in the process

## Compassionate tone

Reinforce the value of the employee

# Overcoming Challenges



**“We don’t have light duty”** → Get creative (admin, training, inspections, special projects)



**Employee fear of resistance** → Use empathy and education



**Supervisor pushback** → Train on value and expectations

## Pro Tip

Have a RTW playbook ready **before** injuries happen.

# Tools & Tips

Designated RTW  
coordinator

Communication  
templates for provider,  
employee, manager

Written RTW  
Program

Written job  
descriptions with  
physical demands

Partner with  
occupational  
health clinics that  
support RTW

# Module 4

## Injury Management Lifecycle



# Injury Management Lifecycle: 7 Key Phases

**01** Incident reporting

**02** Initial Response

**03** Claim Filing

**04** Medical Management

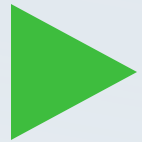
**05** RTW Coordination

**06** Claim Resolution

**07** Post-Injury Follow-Up

# Early Reporting & Response

**Goal:** report within 24 hours



**Immediate supervisor:**

listen, document, direct care

**Fast response reduces:**

- Complications
- Legal involvement
- Claim Duration



# Coordinated Case Management

## Collaboration between:



- Assign an internal WC contact

### Pro Tip

Hold regular claims review meetings to monitor.

# Documentation & Follow-Up

**Document everything:** injury details, treatment, conversations

Regular follow-up shows care and maintains engagement

Monitor RTW readiness and restrictions



# Bringing It All Together

- Strong WC and RTW Culture:

**Improves  
trust**

**Reduces  
costs**

**Enhances  
safety culture**

- Culture, process, and communication must align

# Action Steps for Employers

Evaluate current WC  
and RTW practices

Train managers and  
supervisors

Review or create  
modified duty options

Create an injury  
response and  
follow-up checklist

# Resources & Tools

## Templates:



- Reach out to your local claims or risk services consultant

# Thank you

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Please reach out to your local risk services or claims consultant with any questions / concerns.

Visit **[hubinternational.com](https://hubinternational.com)**

