

Work Comp Insights

Pelnik Insurance - Your Workers' Compensation Partner

The Importance of Reporting All Workers' Compensation Claims

Employee injuries and illnesses are not always simple for employers to navigate—making the workers' compensation claim process increasingly difficult. However, there are a number of measures that employers can take to reduce the cost and complexity of a claim.

Specifically, when employers report claims in a timely fashion—whether to their respective state or workers' compensation insurance provider—they can potentially minimize their overall claim expenses.

Review the following guidance for an overview of when employers should report workers' compensation claims and how this process can help prevent unnecessary claim costs.

When to Report an Injury

Employers are typically required to report each instance of employee injuries and illnesses to their insurance providers. The deadline for submitting this first report of injury varies depending on how an employer is insured. If an employer is self-insured, they must report injuries and illnesses to their respective state workers' compensation division within the state's designated time frame—usually around 14 days.

This time frame can vary by jurisdiction, so employers need to consult their particular state workers' compensation division.

If an employer holds a workers' compensation policy via an insurance carrier, the deadline for reporting injuries and illnesses is typically seven days. This time frame can vary depending on the state in which the business is located. Employers should consult their insurance providers to confirm how long they have to report such information.

Considering Injury and Illness Severity

The severity of employees' injuries or illnesses does not matter. Regardless of whether employees receive medical treatment or not, their injuries or illnesses must still be reported. Most initial reports of injuries and illnesses include a space where employers can describe what medical treatment employees have received and where it was provided.

Some reports include a section that the employer can mark showing that no medical treatment is necessary at this time. If medical treatment is obtained after the first report of injury is submitted, employers can provide this information when communicating with the claim's adjuster or state.

In any case, employers need to submit these first reports of injury even if employees did not receive medical treatment, seeing as they still may need medical treatment at a later date. Many employees and employers agree to wait for medical treatment (if possible) to see if their injuries or illnesses will improve without such treatment.



This is typically the case for more minor injuries or illnesses, such as a strain or other issue that requires minimal first aid. Even so, employers are still required to report these ailments. Not only is this a requirement, but it's also a critical practice to ensure injuries and illnesses receive the necessary attention in the event that they become more severe.

Problems with Not Reporting

Although it may seem strange for employers to report minor injuries or illnesses that do not require any medical treatment, it is required under the law in most states. Employers can experience several issues if they decide not to report workers' compensation claims. This includes:

- Delays in employees' wage benefits (if applicable)
- Fines from the state workers' compensation division for late reporting
- Potential workers' compensation litigation for poor claim management
- Claim investigation issues for insurance carriers
- Increased employer liability and subsequently higher claim costs
- Legal issues if claim reporting is required
- Unnecessary medical claims
- Higher health care costs outside the fee schedule determined for workers' compensation
- Diminished employee morale due to employees feeling as though their employers don't care about their well-being

Other than lowered employee morale, one of the biggest risks to employers who don't report injuries and illnesses is the increased cost of claims. The lag time (the time between learning

of the injury or illness and reporting it) should be as short as possible to minimize claim expenses. After all, workers' compensation claim costs can be expensive to begin with, so it's important not to add to those costs. That being said, prompt reporting is one contributor to overall workers' compensation costs that employers can and should take control of.

Employer Paying Out of Pocket

Some employers pay for an employee's medical treatment out of pocket instead of reporting it to their workers' compensation carrier. This is done to protect their workers' compensation experience modification factor. Employers may think that reducing the amount of money spent on a claim will help lower the experience modification factor. This is true only to an extent. Most times, medical-only claims are not going to make the employer pay more for their premium. Medical-only claims do not add much to the experience modification factor. The worst injuries are those with high dollar amounts and lost time. The more severe the claims are, the higher the e-mod factor, which, in turn, creates a higher insurance premium.

Employers paying out of pocket for an employee's medical treatment not only gives rise to legal issues like fines and litigation costs, but it also prevents the insurance carrier from having any claim history of the injury. This means that the insurance carrier will likely not cover the injury as it wasn't reported properly. If the insurance company does not cover the claim, the employer is responsible for all costs associated with that claim. If it is a severe injury, this has the potential to bankrupt an employer.

Overall, it's critical for employers to know what the reporting deadlines are for claims in their respective jurisdictions. There should be procedures in place for how long employees have to report their injuries or illnesses to their supervisors, how quickly these reports must be

shared with the necessary parties and how often claims (as well as the employees involved in such claims) are checked up on.

By following all applicable reporting requirements, employers will avoid late reporting fines and mitigate overall claim expenses.

Contact us to discuss all of your workers' compensation needs.



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