



When it comes to work comp claims costs, are you seeing just the

Tip of the Iceberg?

Don't Let Indirect Costs Sink You

A deep knowledge of workers' compensation can provide:

- A culture of safety
- Comprehensive loss control
 - Workplace violence prevention
 - Drug and alcohol program
 - Accident investigation processes
- Focus on fraud prevention
- Integrated return-to-work programs

The result:

- Immediate reduction of indirect costs
- Lower experience mod through cost savings
- Reduced premium costs over time
- Savings that create a competitive advantage

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Insurance Company of America

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Indirect costs can be up to **4.5X MORE** THAN direct costs¹

Direct costs include:

- Indemnity
- Medical
- Rehabilitation
- Death benefits

Indirect costs include:

- Productivity
 - Damage to machinery or work area
 - Accident investigation
 - Implementation of corrective actions
- Low employee morale
- Inventory loss
- Increased payroll expense for position coverage through:
 - Temporary workers
 - Overtime
 - Supervision
 - HR time
- Increased sales demand to reach a profit margin to cover costs
- Increased future cost of insurance because of impact to experience mod
- Negative PR
- Administrative:
 - Completing accident reports
 - Reporting claims
 - Processing documents

Sales required to pay for a claim¹

Total cost of accident* ↓	Your Profit Margin		
	1%	3%	5%
\$1,000	\$100K	\$33K	\$20K
\$10,000	\$1M	\$333K	\$200K
\$100,000	\$10M	\$3.3M	\$2M

* Includes direct and indirect costs

¹ OSHA Safety Pays: <https://www.osha.gov/Region7/fallprotection/safetypays.html>

