

IMPACTING WORKERS' COMPENSATION WITH WORKSITE BENEFITS

KATIE OTT, M3 INSURANCE

Worksite benefits have often been marketed to employers as a “nice to have” benefit – something additional that they could add to their benefits package in order to positively impact talent attraction and retention by offering employees the freedom to choose from a variety of voluntary benefits.

We've taken a more strategic approach to bring additional value to the organizations we serve as well as to their employees. As insurance consultants, we've been able to make the case anecdotally that worksite benefits can do so much more for your district and employees. We've seen firsthand the way that workers' compensation claims are affected when worksite benefits like accident insurance are offered as a part of your benefits package.

Research from Guardian allows us to statistically show worksite benefits' impact on workers' compensation claims. Our largest takeaways from the 7th Annual Guardian Workplace Benefits Study were:

- 1 in 4 employers experienced a decline in workers' compensation claims after offering voluntary accident insurance
- On average, employers report a 46% decline in workers' compensation claims after offering voluntary accident or short-term disability plan to their workforce, with 42% reporting a decline of 50% or more; and 22% reporting a decline of 25%-49%
- Nearly 2/3 of firms with at least 1,000 employees report improved workers' compensation results and fewer illegitimate claims after offering an Accident or STD plan

What This Data Indicates

This data supports what we have known intuitively for a long time – employee benefits and workers' compensation are intricately linked. When we are able to strategically approach your benefits package with worksite options, we can drive down workers' compensation costs due to “Monday morning claims” (i.e. situations where workers' compensation pays for claims that are reported as work-related, but are not).

Offering accident insurance as a worksite benefit essentially deincentivizes employees from making Monday morning claims, as they are able to tap into their accident benefit to maintain financial wellness when experiencing an out-of-work accident or injury. We have even been able to work with our clients to structure accident policies to only pay for off-job claims, so employees are incentivized to use this benefit instead of filing a workers' compensation claim.

Takeaway

Worksite benefits are more than just a workplace culture enhancer and retention tool for your employees. They are a statistically proven, strategic way to drive down costs while ensuring employees who experience a claim event are taken care of.