

Fewer claims and lower costs by benchmarking to safer employers

Overview

Workplace injuries are preventable, and employers are often encouraged to strive for zero workplace injuries, a goal they see as unrealistic and unattainable. Offering an alternative to the “zero injury” message, we compared Washington workers’ compensation claim rates among similar employers to identify attainable claim rates.

Employers were grouped by size and risk class (defined by the type of work done and the risk of workplace injury), then ranked by workers’ compensation claim rates from low to high. We identified the claim rate of employers at the 10th, 25th, and 50th percentiles, for a range of possible claim rate goals, from more ambitious to less ambitious.

We estimated the number and costs of workers’ compensation claims that could be prevented if employers achieved the claim rates of their safer peers.

Fewer workers’ compensation claims and lower claim costs if employers with high injury rates achieved the rates of their safer peers.

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Key Findings

- 43% of claims and claim costs can be prevented if employers with higher claim rates lowered them to the rates achieved by similar employers at the 25th percentile of claim rates.
 - Lowering claim rates to the more ambitious 10th percentile resulted in an estimated 61% reduction in claims and claim costs, while lowering rates to the less ambitious 50th percentile resulted in an estimated 23% reduction in claims and claim costs.
- A 43% reduction in one year’s worth of claims would save an estimated \$332.4 mil in claim costs.
 - Colleges and Universities had the greatest potential reduction in claim costs among large employers.
 - Wood Frame and Building Construction had the greatest potential reduction in claim costs among small employers.

Impact

Identifying employers within risk classes that experience high claim rates offers an opportunity for injury prevention.

Substantial reductions in workers’ compensation claims and claim costs are possible if workplaces focus on injury prevention and lower their injury rates to those achieved by their peers.

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Research for Safe Work

The SHARP Program at the Washington State Department of Labor & Industries partners with business and labor to develop sensible, effective solutions to identify and eliminate industry-wide hazards. Learn more at www.Lni.wa.gov/Safety/Research

Find the article here:

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