

Discussion of: Workers' Compensation Loss Prevention: A White Paper for Discussion.

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Moderators: Jennifer Wolf-Horejsh and John Mendeloff

Abstract

This paper explores the potential relationship between workers' compensation, loss prevention and public interests by providing a vocabulary and context for discussion. The role, tools and strategies of loss prevention professionals are described, and opportunities for systematic collection and use of available data for analysis, program design and intervention are discussed in detail. Workers' compensation is an important social insurance program with public policy and safety and health objectives that go far beyond the issue of compensation for injury. Loss prevention provisions are explicit in many workers' compensation statutes and implicit in others. Loss prevention services may be applied to assess risk and assist in the insurance underwriting process, or to help employers reduce the human and financial cost of workplace injury. To varying degree and effect, state-sponsored insurers, private insurers and industry safety associations use workers' compensation data for occupational safety and health surveillance and targeting for loss prevention services and initiatives. Several states mandate insurer-based loss prevention services. However, loss prevention data, including employer and insurer-based expenditures, recommendations and interventions, are not systematically collected across industries or jurisdictions. The paper concludes with a discussion of the knowledge gaps and a list of possible collaborations to organize and develop existing loss prevention programs and practices.

Discussion

The insurance industry as a whole makes substantial investments in loss prevention programs. Loss prevention is used to manage and control risks in addition to evaluating risks prior to insuring an employer. The information that is collected for loss prevention programs about hazards, risks, controls, and employer health and safety programs may be useful for identifying intervention needs and evaluating intervention effectiveness. Insurers use loss prevention data for targeted analysis. Good data could be used for predicting injuries.

Issues discussed included the following. Some states require carriers to report loss prevention activities but public reports could not be found. Loss prevention data are usually proprietary to the organization and not standardized. Data owners are unlikely to release the information. State funds might be willing to partner with NIOSH or other groups. AASCIF (American Association of State Compensation Insurance Funds) would be an appropriate industry group to engage.

Loss prevention activities are generally directed at larger employers with higher premiums. What about small employers? Do loss prevention programs evaluate a different segment of work sites than OSHA programs? Work was begun to standardize loss prevention data which would take significant support from the industry. Unclear what may have hindered progress. Standardization could be tried for loss prevention forms and exposure assessment. One could start with occupational health and safety industry groups.

Safety recommendations need to be practically focused so business can implement and see the return on investment. One drawback when talking about loss prevention is that it only applies to employers who use an insurer; it doesn't capture self-insured employers. Is there a way to link loss prevention tools with other inspection information and details?

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