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# Consulting Division Newsletter

Thank you for your attention to this 4-part weekly Litigation update by Joel Romero of Consulting. This series will consist of the following:

1. Litigation NorCal v SoCal – who is the real winner
2. Reasons for litigation
3. Costs & Mitigation
4. Future – Trends/Factors & Consulting

## **Part 3 - Costs & Mitigation**

The costs of workers' compensation claims can vary widely depending on several factors, including the severity of the injury, the duration of the claim, and the specific benefits provided.

When an employee retains an attorney on a Workers Compensation claim that claim will cost more and take longer to resolve in most instances. Since 2005 changes in average indemnity and medical costs for California and NCCI have been fairly consistent.

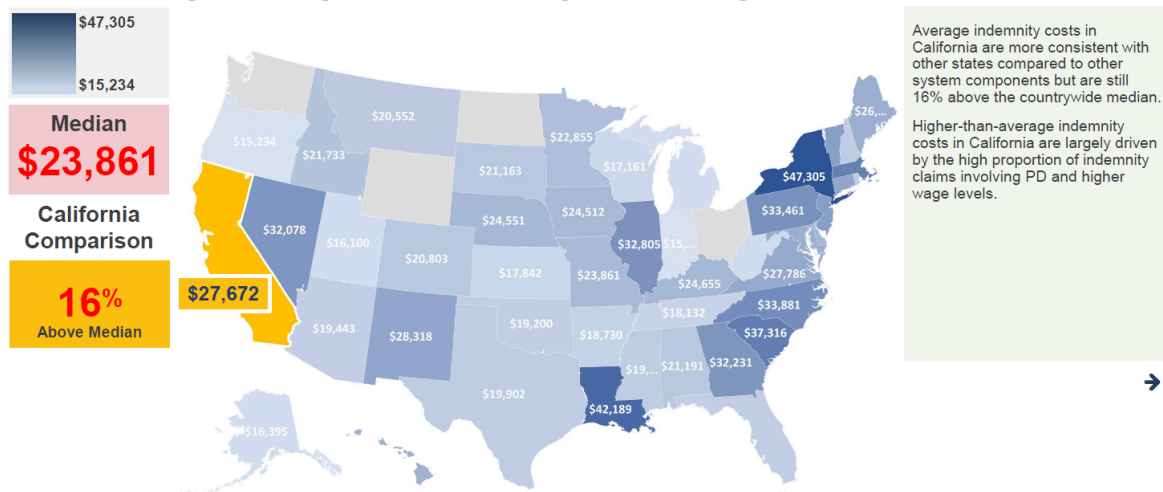
The total cost of a workers' compensation claim can be significant, especially for severe injuries or long-term disabilities. Employers can manage these costs by implementing

effective safety programs to prevent injuries and working closely with insurance providers to ensure efficient claims management.

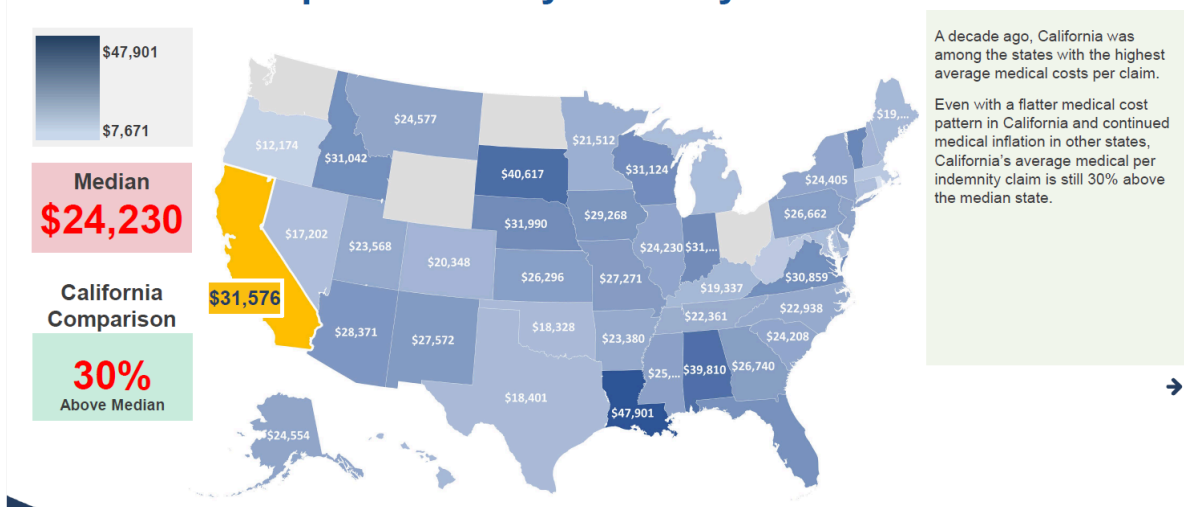
Stopping or minimizing workers' compensation litigation involves proactive measures and effective management practices. Here are some strategies that can help:

1. **Clear Communication:** Maintain open and transparent communication with employees about workers' compensation processes and their rights.
2. **Prompt Reporting and Response:** Encourage immediate reporting of workplace injuries and respond quickly to claims to prevent misunderstandings and disputes.
3. **Thorough Documentation:** Keep detailed records of incidents, medical reports, and communications related to the claim to support the decision-making process.
4. **Employee Training:** Provide regular training on workplace safety and injury prevention to reduce the likelihood of accidents.
5. **Fair and Consistent Claims Handling:** Ensure that all claims are handled fairly and consistently, following established procedures and guidelines.
6. **Engage in Early Intervention:** Address potential issues early by engaging in discussions with the injured employee and their medical providers to find agreeable solutions.
7. **Offer Return-to-Work Programs:** Develop return-to-work programs that accommodate injured employees, helping them transition back to work safely and effectively.
8. **Utilize Mediation and Alternative Dispute Resolution (ADR):** Consider mediation or ADR to resolve disputes without resorting to litigation.
9. **Legal and HR Support:** Work with legal and human resources professionals to ensure compliance with workers' compensation laws and to address any legal concerns promptly.
10. **Foster a Positive Work Environment:** Cultivate a supportive and positive workplace culture that values employee well-being and safety.

## Indemnity Cost per Indemnity Claim by State



# Medical Cost per Indemnity Claim by State



By implementing these strategies, employers can reduce the likelihood of litigation and foster a more cooperative and supportive environment for resolving workers' compensation claims.

Heffernan's Consulting division provides industry leading claims consulting and risk mitigation services to our clients. We advise all parties on how to effectively manage claims as well as help them find additional coverage options if possible.

Our Consultants are also available to answer general claims and coverage questions as well as provide hands-on support. Please email [hibconsulting@heffins.com](mailto:hibconsulting@heffins.com) with any questions.



**Meet the Author:** Joel has been in the Insurance Industry for more than 25 years. He has experience as an adjuster and supervisor with different carriers handling Workers' Compensation Claims. He also has experience as an outside Investigator. His experience includes claim investigations, catastrophic injuries, and handling complex claims for multiple dedicated accounts.

He started at Heffernan Insurance Brokers in 2015 as a Claims Consultant. In this role he now devotes his expertise to helping Heffernan clients. He uses his experience and works closely with carriers to facilitate proactive claims handling. His overall goal as an Executive Claims Consultant is to review open claims and look for

opportunities to reduce reserves and close claims.

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