



TAKING STOCK — JUNE 2020

Data, Technology Can Help Retailers and Restaurants Reduce and Manage Workers' Compensation Claims

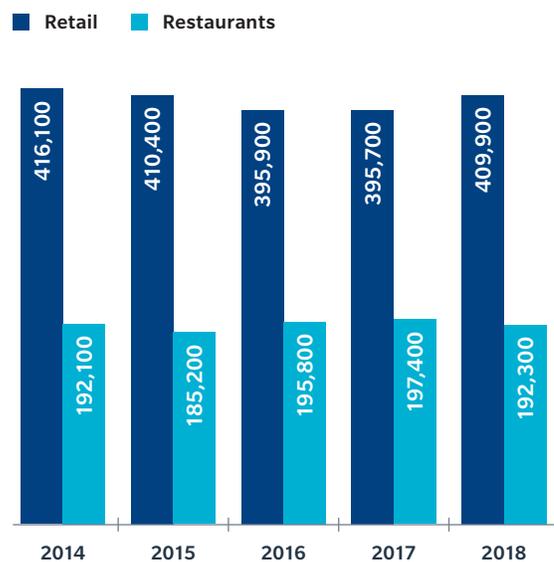
An employee is stocking the shelves of a supermarket when she loses her footing and falls off the ladder, fracturing her leg. Later that afternoon, another employee slips and sprains his ankle. The first injury requires an immediate hospital visit, but the young and healthy employee is back to work on modified duty within a few weeks. The second worker, however, is older and already suffering from multiple health challenges that slow his recovery, leading to more time away from work and escalating medical costs.

Early understanding of potential challenges can make the difference between a workers' compensation claim that is handled quickly and properly and one that lingers, leading to spiraling costs that can be especially burdensome for companies operating on razor-thin margins. But for large retail and restaurant companies that operate multiple locations, identifying potentially problematic cases is not always simple. This is mainly due to the number of cases — in 2018 alone, retailers reported more than 400,000 workplace injuries and illnesses (see Figure 1) — and because underlying issues can complicate seemingly straightforward injuries.

FIGURE
1

Retailers and restaurants face a high volume of occupational injuries and illnesses.

SOURCE: US BUREAU OF LABOR STATISTICS



Growing Challenges During COVID-19 Pandemic

What was already a difficult situation is being exacerbated by the ongoing COVID-19 pandemic. Fear of infection is pushing some injured employees to postpone treatment or surgery, layoffs at third-party administrators (TPAs) mean fewer claims adjustors available to handle claims, and physical distancing measures can limit return-to-work programs.

Marsh's discussions with workers' compensation insurers and TPAs indicate that claims frequency decreased by up to 40% at the peak of the pandemic, mainly due to widespread layoffs and furloughs as nonessential retailers and restaurants closed brick-and-mortar locations. But as the country reopens, claims are likely to increase and a shortage of available adjustors is predicted. A potential increase in claims suspected to be fraudulent, including those coming from employees working remotely, will also require more resources for in-depth investigation.

Targeting Problematic Claims

Data analysis can help identify problematic claims early on, allowing employers to take action to stop these claims from worsening.

Let's take our earlier example of two employees injured in the same workplace, with the seemingly lesser injury requiring more recovery time. Traditionally, both claims would be assigned to a claims adjustor but might not receive immediate attention, which could lead to difficult claims becoming even more challenging.

But analytical tools, often supplemented with artificial intelligence, that score claims based on various criteria — including the employee's age, type of job, and whether there are preexisting comorbidities — can identify potentially problematic claims, allowing companies to proactively address challenges and, in turn, curb long-term costs. Analytic models can be run frequently, even daily, to identify and flag any pertinent changes in claims.

As a first step, claims deemed to be at risk of complications can be prioritized and given additional resources, including having a nurse reach out to an injured worker. These claims can be assigned to senior claims handlers who have experience with difficult claims. Early intervention can help to resolve claims more quickly by getting injured workers on a better path to recovery. Data, together with scoring mechanisms, can help employers to assess when claims are unlikely to be resolved and when settlement might be considered.



Identification Leads to Prevention

Prevention is better than cure. The old adage cannot be more fitting for workplace injuries. And many employers, including those in the retail and restaurant sectors, are striving to better identify potential areas of concern and address risks before they develop into costly claims.

For these companies, data is an invaluable tool. But large amounts of data can be overwhelming and only useful if they can be properly analyzed and turned into actionable insights. Forward-thinking employers are leveraging data to drill down to location-specific information and analyze employee behaviors, which could help to identify the causes of injuries and potential preventive measures. For example, a restaurant chain might identify an increase in slips and falls in a particular location; when investigated, the cause may be a lack of slip-resistant floor mats — a relatively easy fix that can significantly reduce the frequency and severity of injuries.

Data from wearables (see sidebar) can be analyzed to identify specific problems pertaining to individual employees — for example, bad posture. Employers can also incorporate real-time alerts when an employee is engaging in potentially dangerous movement, such as lifting heavy objects inappropriately. With more people currently working from home, wearables can be extended to remote employees to help avoid injuries, including alerting employees who have been sitting down for too long.

Going Full Circle

Insights gleaned from both pre- and post-loss data analysis can help to design programs aimed at preventing and mitigating workplace injuries and illness. Wearable technology, for example, can gather information about workers' movements and flag any problems, allowing for training, modification, or elimination of certain tasks.

Aside from helping organizations to prevent injuries and address challenging claims early, data-rich insights provide opportunities for companies to benchmark against their own historical performance and that of their peers. Data can also help senior leaders understand the benefits of specific programs intended to reduce injuries and improve claims handling.

As we adjust to a new normal, with increased costs and fewer resources, retail and restaurant companies can leverage data to improve their workers' compensation claims outcomes, reduce the risk of injuries, and improve their employees' health and wellness. Such an approach can be especially beneficial during a time when organizations are more cognizant of their costs.

Technologies Help Reduce Injuries, Manage Claims

Aside from data gathering and analysis tools, retail and restaurant companies are using other technologies to reduce workplace injuries and illness and communicate with injured employees.

ROBOTICS AND WEARABLES

Technologies like exoskeletons can aid and even guide retail and restaurant employees in their daily jobs — for example, while stocking shelves — and help workers to recover from injuries. Wearable technologies can provide alerts when a worker is engaging in potentially dangerous behavior, such as lifting a heavier load than is safe or stretching too far. And robotics can automate potentially dangerous jobs to reduce injuries.

COMMUNICATION CHANNELS

Employers are using personalized videos, apps, and bots to communicate with employees following injuries. Videos can educate employees on the claims process and provide guidance on next steps, while also providing employees with important information about their providers, pharmacies, and claims adjustors. Bots can provide answers to frequently asked questions, help employees schedule appointments and send reminders, and act as an extension of communication with adjustors. Mobile apps, meanwhile, can provide employees with updated information about their claims.



This briefing was prepared by Marsh's Retail/Wholesale Practice in conjunction with Marsh Risk Consulting, the Global Claims Practice, and Analytics Practice.

For more information, visit marsh.com, contact your local Marsh representative, or contact:

MAC NADEL
Retail/Wholesale, Food & Beverage Practice Leader
+1 203 229 6674
mac.d.nadel@marsh.com

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