LEADING WITH EMPATHY

How Data Analytics Uncovered Claimants' Fears

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*How long is this **pain** going to last?*

*What if I **can't do my job** when I return to work?*

*How will I **pay my bills?***

These types of questions can be **overwhelming** for an employee who has suffered an injury on the job, but the right conversation between the employee and employer can help alleviate many of those concerns. Lockton supports clients with their post-injury strategies and claims management with best practices and integrated analytics.

One of the most common cost drivers of workers' compensation claims is a lack of communication. Analysis of unstructured data from Lockton's proprietary Infolock® P&C database, with over $16 billion in workers' compensation claims and 65 million transactions, uncovered that claimant's fears are highly correlated with increasing costs. **The average lost-time claim costs 3.5 times more when words such as "fear" and "afraid" are recorded in adjuster conversations.**

Nearly **60% of all** workers' compensation costs are driven by claimants who experience **fear**.

There is also a strong relationship between this uncertainty and the prevalence of attorney representation. By changing the process, the experience for the claimant can be improved and the resulting claim costs can be lowered. We believe through this research and our work with clients that litigation is an outcome, and through improved processes and strategies, can be controlled.

Lost-Time Litigation Rate

- Claims Without Fear Words: 17%
- Claims With Fear Words: 39%
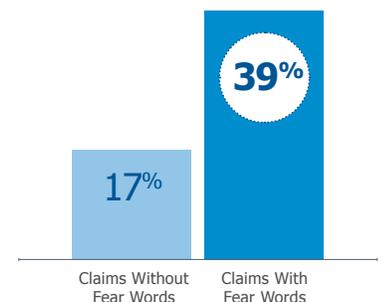
SAMPLING OF ADJUSTER NOTES

"She told me she was **SCARED** about her future and felt she needed to speak to someone."

"The employee is **WORRIED** that the employer will fire him after he is returned to work."

"The injured worker is **AFRAID** to lose money by taking time off work for doctor's appointments."

"He is somewhat reluctant to commit because he is **AFRAID** of surgery."

"The employee reports extreme distressing thoughts, such as tearful, **ANXIOUS,** angry, and at times, overwhelmed by the current situation, which he perceives to be never-ending."

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LOCKTON INSIGHTS

This study, conducted by Lockton's Analytics Team, indicates that fear is a definite factor in litigated claims and has a direct impact on the overall cost of a workers' compensation claim:

Lockton leveraged our proprietary database by text-mining adjuster notes to uncover a strong relationship between cost and words related to fear.

Lost-Time Claims

$69,376 — Claims With Fear Words
$19,893 — Claims Without Fear Words

Lost-Time Litigated Claims

$112,745 — Claims With Fear Words
$48,888 — Claims Without Fear Words

Claims with fear words account for

75% of claims ≥ **$50,000**
84% of claims ≥ **$100,000**

How can you reduce the fears of injured workers?

Injured workers need to know that their employers care about them, that they are wanted back at work, and that they will be able to provide for their families. Companies should regularly and frequently communicate with injured employees on the next steps in the return-to-work process. **It is important that managers are trained in active listening and showing empathy.**

If a manager has been involved in a previous case in which an injured employee took advantage of workers' compensation or has dealt with a large number of cases, he or she may become hardened to the process. It is important for managers to show compassion for each injured employee and to let employees know that they care deeply about their return and want them back on the job. **Lockton has proven tools, processes, resources, and analytics to improve post-injury strategies and cost containment.**

Eliminating attorney representation is not realistic; however, taking simple steps to remove fear from the minds of injured workers can help lower the total cost of risk. By changing the trajectory on just 5 percent of claims in which claimants experience fear, employers can improve their bottom line.

*Gregory Cairns, Esquire Cairns, Nemechek LLC law firm

TOP 5 REASONS PEOPLE HIRE LAWYERS*

1 Not receiving my pay, or not paid on time.

2 I don't like my doctor.

3 I was afraid that I was going to lose my job.

4 The process is taking too long.

5 No one called me to see how I was doing.

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