When it comes to work comp claims costs, are you seeing just the Tip of the Iceberg?

Direct costs include:
- Indemnity
- Medical
- Rehabilitation
- Death benefits

Indirect costs include:
- Productivity
  - Damage to machinery or work area
  - Accident investigation
  - Implementation of corrective actions
- Low employee morale
- Inventory loss
- Increased payroll expense for position coverage through:
  - Temporary workers
  - Overtime
  - HR time
- Increased sales demand to reach a profit margin to cover costs
- Increased future cost of insurance because of impact to experience mod
- Negative PR
- Administrative:
  - Completing accident reports
  - Reporting claims
  - Processing documents

**Indirect costs can be up to 4.5X MORE THAN direct costs**

**Sales required to pay for a claim**

<table>
<thead>
<tr>
<th>Total cost of accident*</th>
<th>Your Profit Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1%</td>
</tr>
<tr>
<td>$1,000</td>
<td>$10K</td>
</tr>
<tr>
<td>$10,000</td>
<td>$1M</td>
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<tr>
<td>$100,000</td>
<td>$10M</td>
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</tbody>
</table>

* Includes direct and indirect costs

Don’t Let Indirect Costs Sink You

A deep knowledge of workers’ compensation can provide:
- A culture of safety
- Comprehensive loss control
  - Workplace violence prevention
  - Drug and alcohol program
  - Accident investigation processes
- Focus on fraud prevention
- Integrated return-to-work programs

The result:
- Immediate reduction of indirect costs
- Lower experience mod through cost savings
- Reduced premium costs over time
- Savings that create a competitive advantage

To learn more, visit AccidentFund.com.