



FOOD FOR THOUGHT — JUNE 2020

Data-Rich Insights Can Help Food and Beverage Companies Control Workers' Compensation Claims

Close to 80,000 recordable injuries took place in food and beverage manufacturing workplaces in 2018, according to [data](#) from the US Bureau of Labor Statistics. And while every injury should be investigated and addressed, a small percentage of claims often represents a disproportionate share of an organization's overall workers' compensation claims cost. That makes it paramount for employers to identify these instances early on and get a head start in managing them.

But problematic claims are not always apparent from the beginning. Let's take a hypothetical example: Two employees at the same meat packaging plant slip and fall. The younger of the two fractures his leg; he is immediately hospitalized, but is back to work, on modified duty, within a few weeks. The other worker sprains her ankle, but her age, coupled with an underlying condition, complicates her recovery. The end result is a prolonged period away from work and multiple doctor visits and medical procedures, with escalating costs.

For food and beverage companies, identifying the claims that have the highest potential of becoming problematic has always been crucial. The ongoing COVID-19 pandemic adds another layer of challenges: Some injured workers are postponing treatment or surgery out of fear of infection, layoffs at third-party administrators (TPAs) mean there are fewer adjusters to handle claims, and physical distancing measures can limit return-to-work programs.

Although Marsh's discussions with workers' compensation insurers and TPAs indicate that overall workers' compensation claims frequency decreased by up to 40% at the height of the pandemic, mainly due to widespread layoffs and furloughs, claims are likely to increase as the country adjusts to a new normal. And this spike is likely to coincide with an expected shortage of adjusters. In addition, an increase in potentially fraudulent claims, including ones coming from employees working remotely or those who were recently laid off, will also require more in-depth investigation.

Data Informs Claim Prioritization

A major area of opportunity for food and beverage employers is the ability to use data to identify potentially problematic claims early on and take action to manage their outcomes. Going back to our earlier example, one injury seems to be less severe — but if you look beyond the actual injury and take into consideration the workers' ages and overall health profiles, one can identify

Technologies Help Curb Injuries and Manage Claims

While data and analytics tools are gaining traction, food and beverage companies are introducing other technologies to help them reduce workplace injuries and illnesses and better communicate with injured employees.

ROBOTICS AND WEARABLES

Technologies like wearables and exoskeletons can aid — and sometimes even guide — food and beverage workers in their daily jobs, especially when conducting repetitive tasks. These technologies can also assist injured workers in their rehabilitative therapy.

COMMUNICATION CHANNELS

Communication with injured employees is crucial, including in the days following the injury as workers start to navigate the often-complicated process of accessing treatments and filing claims. Personalized videos, apps, and bots are being used to keep lines of communication open and provide essential information to injured workers during a difficult time. Personalized videos, for example, can be sent to employees to provide information about their providers, pharmacies, and claims adjusters. Bots, meanwhile, can provide answers to frequently asked questions, help employees schedule appointments and send reminders, and facilitate communications with claims adjusters. And mobile apps can provide employees with updated information about their claims.

VIDEO

Internal and external camera systems are being deployed in delivery vehicles to review events right before crashes or sudden maneuvers. Video insights can be used to improve driver skills and can also be useful to analyze workers' compensation and auto liability claims.

characteristics that could signal that a sprain could pose a long-term problem for both the worker and her employer.

Traditionally, both claims would be assigned to a claims adjuster, but might not receive immediate attention. Analytic tools, however, can score claims based on different criteria, including age, type of job, and the existence of preexisting conditions. Often coupled with artificial intelligence, these tools can identify potentially problematic claims early, allowing employers to proactively address them and, in turn, help curb long-term costs and get injured employees on their road to recovery. Because data is analyzed frequently, often on a daily basis, any changes in claims can be flagged.

For food and beverage companies, a first step is to prioritize claims considered at risk of complications. These claims can then get better access to the necessary resources, including assigning them to senior claims handlers who have experience with difficult claims and having a nurse reach out to injured workers early.

Data and scoring mechanisms can also help employers identify which claims could be complex to settle and are likely to be fraudulent.

Early Identification, Better Outcomes

Today, companies have reams of data at their fingertips. The amount of available information can be overwhelming, but — when properly analyzed — it can generate crucial insights that employers can use to improve workplace safety. Many organizations are taking the concept that “prevention is better than cure” to heart and leveraging data to identify risks in their workplaces.

Let's go back to the meat packaging plant in our earlier example. Data shows an increase in slips and falls in a particular area of the plant, mostly happening around the same time of the day. When investigated, this is found to be caused by water not draining properly leading to a number of slips and falls, as well as near misses. Once the cause is addressed, the number of injuries drops significantly.

This is just one way in which employers can use data to help reduce the risk of injuries. Wearables can be a useful source of information pertaining to an individual employee or specific job function. Aside from the possibility of incorporating real-time

alerts when an employee is engaging in potentially dangerous behavior, data from wearables can pinpoint areas of improvement. For example, employees at a particular food processing plant tend to walk 12,000 steps every day; if this drops to 2,000 steps during COVID-19 lockdowns, it could highlight the need for employees to be reconditioned before restrictions are lifted.

Injury Prevention Strategies

When properly collected and analyzed, insights from both pre- and post-loss data can help food and beverage companies identify areas of improvement geared towards preventing and mitigating workplace injuries and illnesses. Employers, for example, can be alerted to an increase in injuries soon after introducing new machinery, which might indicate the need for additional training. And data from wearable technologies that analyze workers' movements can flag problems with certain tasks, allowing for retraining, modification, or elimination of that particular task.

Organizations can also use data-rich insights to benchmark against their historical performance and their peers'. For example, a manufacturer might want to measure the effects of a pilot training program on reducing injuries and can use data to expand or tweak the plan.

Today's information-rich organizations have unprecedented opportunities to transform their data into actionable insights that help reduce the number of injuries and better manage workers' compensation claims. And even a basic use of data to highlight the number of days without a workplace injury can help to improve employee morale. As new technologies emerge, food and beverage companies will be presented with new opportunities to both prevent injuries from occurring and manage those that do.





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

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