Workers’ comp … at home? Remote work is changing policies and procedures

By
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Business leaders know the work-from-home trends — approximately 12% of full-time employees in the country work remotely, while 34% work a hybrid remote-office schedule and 54% work only onsite, as of August, according to data from WFH Research.

What remains unclear is the total impact the trend will have on workers’ compensation insurance for an employer.

Tim Palmer, national managing director, workers’ compensation, at Novatae, a Dallas affiliate of New Jersey-based insurance brokerage firm World Insurance Associates, said the initial cost for workers’ compensation is a bit lower for telecommuting employees.

“However, the rates for most of these roles are so low it’s not a huge impact,” he said.

That being said, the National Council on Compensation Insurance, which is a licensed rating, advisory and statistical organization, said that any long-term effects of the expansion of remote work during the COVID-19 pandemic starting in 2020 are yet to be realized.

Leonard Herk, senior research consultant of NCCI, co-author of a study titled “The Great Reshuffle in Labor Markets,” said remote workers “Appear to have a lower frequency of job-related injuries than on-site workers, and this difference appears not to vary across industries.”

That’s not to say that working remotely is risk-free. The use of office equipment and home office space along with ergonomic differences — think exposed electrical cords, distractions and makeshift office arrangements — concern workers’ compensation insurers, points out NCCI. These factors potentially could lead to work-related slips and falls and repetitive-motion claims under workers’ compensation policies.

There are other issues, too.

Palmer noted another impact of remote work: Difficulties in training and development of employees working offsite.

While employers can dictate ergonomic practices within an office, it is "nearly impossible to do" when someone is working from home, he said.

A positive factor potentially holding down costs is that increased telecommuting may be reducing work-related motor vehicle accidents, which tend to be more costly than other causes of workers' compensation claims, NCCI notes.

Remote workers are most common in professional and business services, financial activities, and information — fields common among New Jersey employers — according to data from the U.S. Bureau of Labor Statistics.

These types of jobs already have lower rates for workers' compensation than other types of jobs, Palmer said.

But, when they occur, the claims process can be different when a remote worker suffers an injury or illness.

"When someone is injured in the office, there are typically witnesses to the injury and fewer questions about how the injury occurred," Palmer said. "If an injury happens at home, it's difficult to determine if the injury is work-related or not."

Palmer said business owners who learn about their risk factors for workers' compensation can parlay that knowledge into how they handle safety and culture within their organizations.

Employers should look to their insurance agents to help contend productively with their workers' compensation risks, he said.

Employers can help themselves by having a formalized onboarding program for remote employees, Palmer said.

Employers also have an opportunity to work with their workers' compensation insurance company to shorten work-related illnesses and injuries.

"Implementation of formal return-to-work programs (has) made a big impact on the cost of indemnity claims over the past several years," he said. "Carriers and insureds are doing a better job working together to find creative ways to help injured employees get back to work faster through modified-duty and light-duty programs."