

## The Benefits of Claims Defensibility

Liability claims from workers are becoming increasingly difficult for employers to avoid. Ever-widening business liability combined with the current legislative emphasis on thorough risk assessments only exacerbates the situation. Organisations plagued by claim after claim, know the corrosive effects that inefficient claims management can have on a business. To improve claims management processes and shrink overall claims exposure, many organisations rely on a powerful risk management tool: claims defensibility.

### How Claims Defensibility Can Help You

The claims defensibility process identifies the common claims brought against an organisation and provides that organisation with guidance to reduce the number and severity of future claims. Combined with other risk management strategies, claims defensibility helps organisations establish a process focused on eliminating or reducing claims before they happen rather than mitigating them after the fact.

Conducting a claims defensibility audit in your organisation can help you recognise:

- Incidents that can be defended, either completely or partially;
- Fraudulent claims;
- Exaggerated or exacerbated incidents; and
- Valid claims with controllable impact.

Ineffective claims management may overlook these incidents that lead to unnecessary or overstated claims, creating a nasty cycle in which your organisation is unable to attack the root causes of claims and can only manage claims after they happen.

### The Dangers of Lax Claims Management

If you do not investigate claims that your company receives, you may be unwittingly subjected to the same preventable claim over and over. This often results in high pay-outs, increased legal costs or a potentially tarnished reputation. Repeatedly dealing with the same type of claim over and over can also result in mismanaged resources, since employees are busy fending off claims instead of using their time to further company objectives and boost low morale.

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**Claims defensibility helps you be proactive by recognising and mitigating potential incidents that can lead to liability claims.**

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Unsuccessful management of your claims can also create staffing issues. You could experience high employee turnover—employees who process claims may feel discouraged by seeing the same type of claim with no action to prevent it and may be more inclined to leave the company. Or if employees continuously report the same type of claim, they may feel that management is not working to prevent incidents and quit for their own safety. Increased employee turnover causes your training costs to skyrocket since you will be forced to train new employees more often.

### Strategies Used with Claims Defensibility

The claims defensibility process provides a safety net by helping businesses understand the most common claims brought against them, but it is not a cure-all. Claims defensibility by itself will not save your organisation—you should rely on additional strategies

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Provided by **Crendon Insurance Brokers Ltd**

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to combat claims and improve the efficacy of your claims defensibility. Some of these additional strategies include the following:

- **Documented risk assessments** should be performed when a situation or task presents a probable risk of injury. Prioritising risks based on likelihood and consequence will help workers prevent potential injuries.
- **Task-specific training** and safe working systems should be established and properly communicated to new and existing employees. Training can also be used to document the employees' competence of safe workplace behaviours.
- **Occupational health management** helps you keep track of your employees' fitness for work. It can also help you identify current work processes that could be causing physical strain to employees and making them susceptible to injury, allowing you to correct the processes before an injury occurs.
- **Personal protective equipment (PPE)** is used as a last line of defence when other controls cannot be used to prevent injury or illness (such as creating a new process to avoid a hazard). PPE can reduce liability claims at the source if its use is implemented and enforced properly. Having a record of PPE use in your workplace can also work in your favour when disputing a claim, as it proves you implement and enforce employee safety programmes.
- **Post-incident investigations** allow you to gather the facts after an incident and understand what happened. Interviewing anyone who was involved as well as taking photographic evidence are two major factors of an investigation.
- **Documentation** to support you when defending a claim is crucial. The supporting documentation you can use for a claim may include notes from the investigation, risk assessments, training records, PPE documentation and equipment maintenance logs.

## Main Reasons for Pursuing Claims

Employees pursue claims against their employers for a variety of reasons. Investigating these reasons can help your business defend against claims and ensure a successful claims defensibility process. The most common reasons employees pursue claims against their employers include:

- Loss of employment, especially during times of employee redundancies or site closure;
- Individual or collective employee grievances;
- An organisation's unwillingness to work harmoniously with trade unions;
- The desire to claim lost wages after a work-related absence; and
- Misunderstanding of the workplace's risks and exposures, leading to a misguided claim.

## Claims Are Improvement Opportunities

Claims should not be seen as an inconvenience that you simply pay and then continue business as usual. The most successful organisations treat claims as an opportunity to improve, whether it helps you change a process or invest in a new type of PPE. Claims defensibility helps you learn from your mistakes and ensure that you do not make the same ones again. To learn more about strategies for minimising your organisation's liability, contact **Crendon Insurance Brokers Ltd** today.