

Workers' Compensation and Strategic Safety Leadership

Enhancing Workplace Safety Through Proactive Management

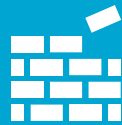


BHHC Loss Control

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Kevin has more than twenty years of experience in safety and risk management across multiple high-hazard industries.



Kevin holds a Bachelor of Science degree in Biology from The Citadel and several professional risk and safety designations, including CSP, ARM, AINS, and AIS.



He has served as a Senior Loss Control Specialist with BHC for more than five years, providing loss control services that help policyholders reduce risk and strengthen overall safety performance.

A Focus on Best Practices

With a hint of compliance

- This presentation is intended for executive leadership and senior management across all BHHC client organizations.
- Today we will highlight key workers' compensation cost drivers and show how leaders can strengthen safety culture through clear vision, accountability, and influence.



AGENDA

4/21/2026

Executive Context and Framing

Financial Impact of Workers' Compensation

Leadership Drives Outcomes

Return-to-Work and Claims Management

Strategic Integration and Compliance

Summary and Executive Action

Feedback and Discussion

A dimly lit conference room with a long table and chairs, viewed through a large window. The room is empty, and the lighting is soft and blue-toned. The text "Executive Context and Framing" is overlaid in the center in a white, sans-serif font.

Executive Context and Framing



How Leadership Shapes Workers' Compensation Outcomes

- **Strategic Leadership Role**

Workers' compensation reflects leadership effectiveness and operational discipline at the executive level.

- **Impact of Compliance vs Leadership**

Treating workers' compensation as compliance leads to rising costs; strategic leadership improves stability and engagement.

- **Connection to Organizational Health**

Workers' compensation performance signals organizational health and influences morale, retention, and profitability.



Why Workers' Compensation Belongs on the Executive Agenda

- Workers' compensation affects much more than insurance premiums.
- Workplace injuries disrupt schedules, strain supervisors, and pull leadership attention away from strategic priorities.
- How injuries are handled also sends a clear signal to employees about trust, fairness, and leadership credibility.
- Externally, workers' compensation performance influences experience modifiers, which can affect bidding eligibility, partnerships, and market reputation.

The Cost of Inaction

- Financial Impact of Poor Management
- Operational Consequences
- Cultural and Leadership Risks
- Litigation and Claim Challenges



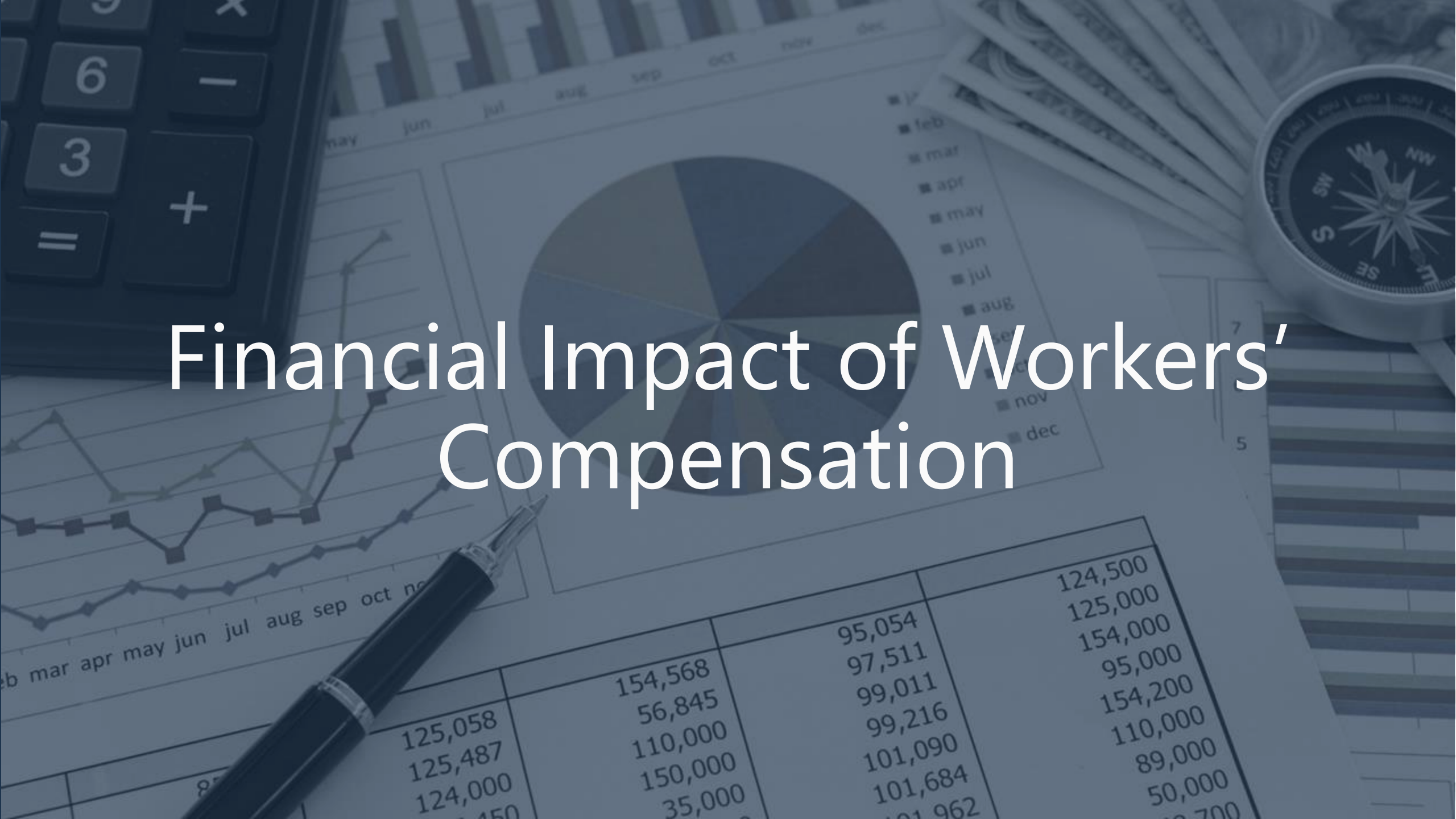
Where Does Your Organization Stand?

1. Do we treat workers' compensation primarily as a compliance obligation, or as a reflection of leadership and operational discipline?
2. When injuries occur, do our actions reinforce trust and accountability, or do they send mixed messages to employees and supervisors?
3. If an outside partner or client evaluated our injury performance, what would it say about our leadership culture?

Where Does Your Organization Stand?

- Key metrics leaders should ask for:
 - Total Recordable Incident Rate (TRIR) – 3-year trend
 - Lost Time Claim Frequency – number per 100 employees
 - Average Injury Reporting Lag Time (hours or days)
 - Supervisor Incident Reporting Compliance Rate
 - Employee Injury Satisfaction / Feedback Scores (if available)

Financial Impact of Workers' Compensation



125,058	154,568	95,054	124,500
125,487	56,845	97,511	125,000
124,000	110,000	99,011	154,000
1450	150,000	99,216	95,000
	35,000	101,090	154,200
		101,684	110,000
		101,962	89,000
			50,000
			10,700



The Financial Impact of Workers' Compensation Decisions

- Impact on Insurance Costs
- Benefits of Strong Safety Leadership
- Managing Workers' Compensation Proactively
- Competitive Advantage through Safety

Understanding Experience Modifiers

- **Definition of EMR**

Actual Cost Divided By Expected Loss - EMR of 1.0 is consider Average.

- **Impact on Premium**

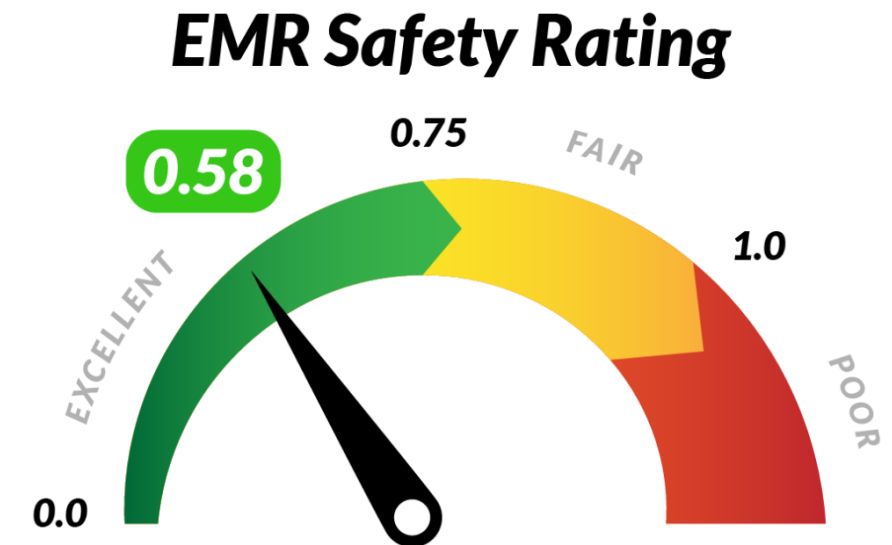
Small changes in EMR can significantly affect insurance premiums.

- **Lag Effects on Costs**

Uses a rolling three-year period with a lag year.

- **Strategies for Improvement**

Less Claims – Less Claims Cost.



EMR and Competitive Positioning



EMR as Prequalification

Thresholds are often used to prequalify contractors in industries like construction and manufacturing, affecting bidding eligibility.



Signal of Operational Discipline

A strong EMR indicates effective leadership, operational discipline, and reliability to clients and stakeholders.



Strategic Business Priority

Maintaining a competitive EMR supports revenue growth, negotiating strength, and enhances overall brand credibility

Where Does Your Organization Stand?

1. Do we understand how our safety decisions today impact insurance costs and cash flow over the next three years, not just this renewal?
2. Is our EMR discussed at the executive level with the same seriousness as other financial performance indicators?
3. Are we managing workers' compensation costs proactively, or reacting only after premiums increase or bids are lost?

Where Does Your Organization Stand?

- Key metrics leaders should ask for:
 - Current EMR and 3-Year Projected EMR
 - Total Cost of Risk (TCOR) – WC as % of payroll
 - Annual WC Spend vs Budget Variance
 - Cost per Claim (Average & Median)
 - Premium Impact of EMR Changes (\$)

A 3D wooden letter 'L' is positioned on the left side of the image. The background is a blue-tinted grid pattern. The text 'Leadership Drives Outcome' is centered in white, sans-serif font.

Leadership Drives Outcome

What Leaders Do That Affects Accident Risk

- Safety performance is shaped by leadership decisions made every day.
- Clear expectations allow time for safe work and when supervisors are supported employees tend to make safer choices.
- When production pressure is allowed to override safety, even subtly, shortcuts begin to appear and risk increases.
- Incident prevention is not primarily a technical issue or a safety department function. It is the result of how leaders set priorities and hold the organization accountable.

Supervisors as Drivers of Claim Outcomes

- Role in Injury Reporting
- Maintaining Communication
- Supporting Return-to-Work
- Training and Leadership Support





Leadership Communication and Response

- Importance of Empathetic Communication
- Clear and Structured Messaging
- Cross-Department Coordination
- Leadership Role in Safety Culture

Where Does Your Organization Stand?

1. Do our supervisors truly feel supported to prioritize safety, even when production pressure is high?
2. Are leaders consistently reinforcing expectations around injury reporting, communication, and accountability?
3. If we removed the safety department, would leadership behaviors alone still support safe decision-making?

Where Does Your Organization Stand?

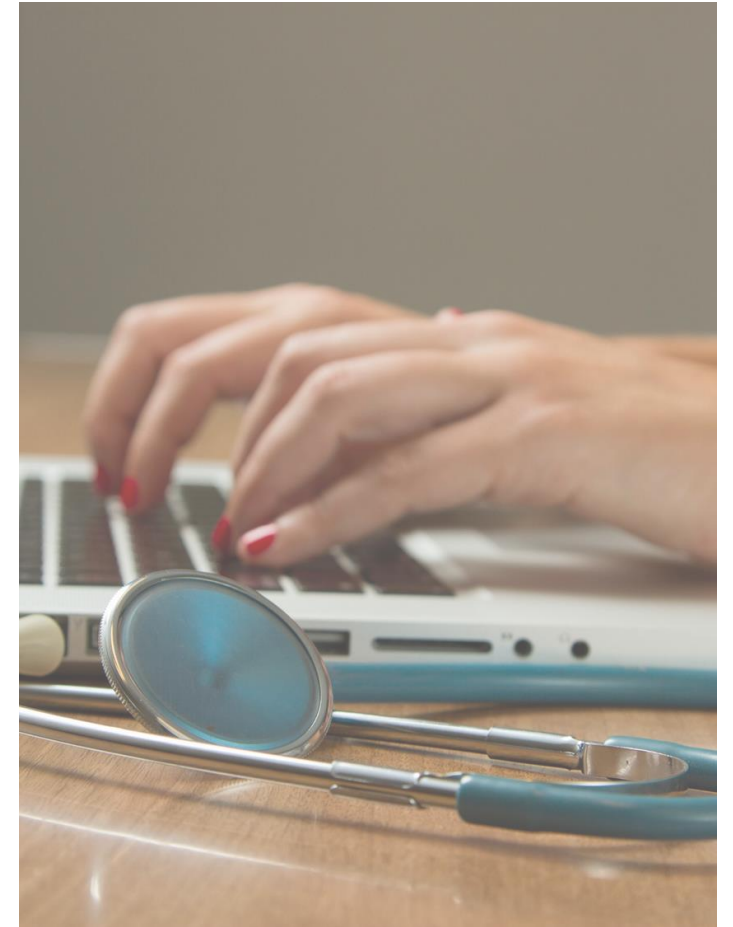
- Key metrics leaders should ask for:
 - Injury Rates by Supervisor / Department
 - Near-Miss Reporting Volume and Trend
 - Supervisor Safety Training Completion Rate
 - Corrective Action Closure Rate
 - Repeat Injury or Repeat Claim Rate

A photograph of construction workers on a job site. In the foreground, a man in a white hard hat and a man in a blue hard hat are looking at each other. The man in the white hard hat is giving a thumbs-up. In the background, another worker in a yellow safety vest is visible. The image has a blue tint and a semi-transparent dark blue overlay.

Return-to-Work and Claims Management

The Financial Value of Early Return-to-Work

- Cost Control Benefits
- Cultural Impact
- Strategic Leadership
- Operational Continuity



Claims Management Discipline

- **Importance of Discipline**

Discipline and coordination are vital for effective claims management and controlling outcomes.

- **Leadership Oversight**

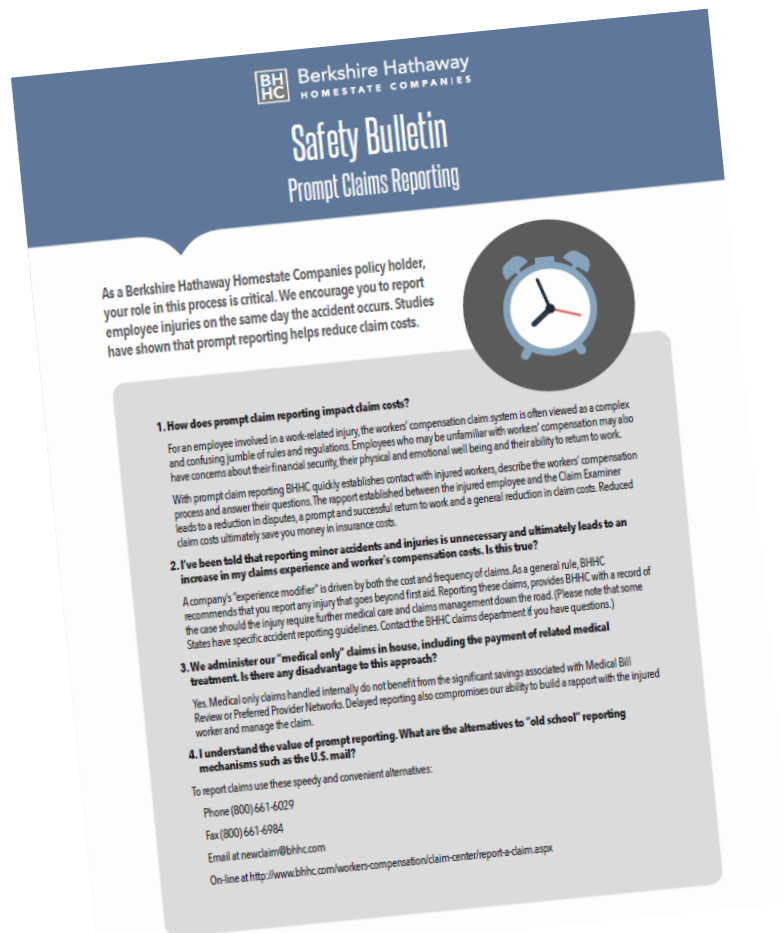
Leaders establish expectations, monitor metrics, and remove barriers without managing individual claims.

- **Timely Reporting and Follow-up**

Timely reporting, accurate documentation, and proactive follow-up reduce costs and speed recovery.

- **Operational Impact**

Treating claims as an operational process improves financial stability and EMR performance.





Fraud Prevention Through Leadership Engagement

- **Role of Leadership Engagement**

Engaged leadership reduces fraud risk by fostering communication and clear expectations among employees.

- **Supporting and Informing Employees**

Employees who feel supported and informed are less likely to engage in fraudulent or adversarial behavior.

- **Transparent Processes and Accountability**

Creating transparent processes and reinforcing accountability at each claim stage helps prevent misunderstandings and fraud.

- **Building Trust and Fairness**

Addressing root causes of fraud fosters a culture of trust and fairness while reducing organizational costs.

Where Does Your Organization Stand?

1. Do we have a clear, consistent return-to-work strategy, or does it vary by department, supervisor, or injury type?
2. Are injured employees staying engaged and connected to the organization, or drifting away during their recovery?
3. Are claims managed as an operational process with leadership oversight, or treated as an administrative afterthought?

Where Does Your Organization Stand?

- Key metrics leaders should ask for:
 - Return-to-Work Placement Rate (%)
 - Average Days Away from Work per Claim
 - Indemnity vs Medical-Only Claim Ratio
 - Claims Open Over 90 / 180 Days
 - Employee Contact Frequency During Recovery

The image features two chess knight pieces, one black and one white, positioned on a dark blue, reflective surface. The black knight is on the left, and the white knight is on the right. The background is a gradient of dark blue, with a soft light source creating a glow behind the pieces. The text "Strategic Integration and Compliance" is overlaid in the center in a white, sans-serif font.

Strategic Integration and Compliance



Supervisor Training and Accountability

- Strategic Safety Leadership
- Incident Reporting and Protocols
- Leadership Support and Accountability
- Impact on Outcomes

Managing ADA, FMLA, and Workers' Compensation Together



- Compliance Challenges
- Risk of Misalignment
- Strategic Integration
- Benefits of Alignment

Where Does Your Organization Stand?

1. Are ADA, FMLA, and workers' compensation managed through aligned processes, or in separate silos that create risk?
2. Do supervisors clearly understand their role in compliance, accommodations, and communication, or are they left guessing?
3. Are executives actively monitoring compliance trends, or only engaged after legal issues arise?

Where Does Your Organization Stand?

- Key metrics leaders should ask for:
 - Claims with ADA and/or FMLA Overlap
 - Accommodation Decision Timeliness
 - Consistency of Transitional Duty Decisions
 - Litigation Rate on WC Claims



Summary and Executive Action



What Strong Safety Leadership Looks Like in Practice

- Strong safety leadership produces measurable results across an organization.
- Injury rates decline, claims close faster, and insurance costs stabilize.
- Fewer injuries reduce staffing disruptions and allow supervisors and managers to stay focused on operations instead of responding to incidents.
- Consistent leadership support during injuries improves employee trust and retention.

Protecting Profitability and Competitiveness

- **Financial Benefits of Management**

Effective workers' compensation management reduces premiums and total risk costs, ensuring stable and predictable expenses.

- **Enhanced Market Reputation**

A strong safety record improves reputation, attracting more clients and expanding business opportunities.

- **Strategic Asset Perspective**

Viewing workers' compensation as a strategic asset transforms compliance into competitive differentiation.





Executive Action Plan and Closing

- **Unified Workers' Compensation Strategy**

Adopt a unified workers' compensation approach to streamline processes and enhance safety outcomes.

- **Supervisor Training Investment**

Invest in supervisor training to improve leadership skills and promote a safer work environment.

- **Return-to-Work Program**

Strengthen return-to-work programs to support employee recovery and reduce downtime effectively.

- **Leadership Accountability**

Regularly review safety and claims metrics to ensure accountability and continuous improvement at the leadership level.

How Can BHHC Help?



- Onsite Loss Control Services – Including Program Gap Analysis and Supervisor Training
- Loss Trending and Claims
- Claims Data Review
- Return-to-Work Programs and Alternative Strategies

Questions?

Please email additional questions to losscontrol@bhhc.com