

# ACC Fact Sheet #2/5: CLAIMS

## WHAT IS IT?

Statistically workplace claims will happen to 1 out of every 100 employees. Most claims are musculoskeletal - sprains & strains, and they make up 95% of all workplace claims. The other two types of claims are 1) health related and 2) severe injuries (i.e. broken bones, burns). Knowing the difference between these claims is important, and managing them correctly will save you stress, time and money.

## A PAIN OR STRAIN - MANAGE THE CLAIM

For sprains & strains time-off is actually rarely needed, let alone time-off on ACC compensation (which drives your Experience Rating penalties). Yet a number of these claims have large days-off. This is a direct result of poor management which you the employer should and can take control over.

## LET'S LOOK AT YOUR INDUSTRY SPECIFICALLY

We've done the number crunching, these are the statistics for year ending 31 Dec 2016 for the CANZ, CU 42101:

- **Total workplace claims lodged with ACC: 4,865. Of this there are 992 claims that are longer than 1 week**
- **Total cost of first week-off based on \$52k wage: \$25,600 (employers pay for this)**
- **Total days off work due to workplace claim: 5,530**
- **Average weekly compensation days-off per claim: 83**

## UPSIDE OF CLAIMS

Proactively managing your claims will result in getting savings on your ACC levies; improve your tendering chances if you tender for work; help improve your bottom line as claims are very expensive with replacement labour, existing holiday pay, recruiting & training costs, distracting you from your work etc.

## THE DOWNSIDE OF CLAIMS

The ACC penalties are set over calendar days not days worked or scheduled to work. For instance if a worker is off for two weeks this will include both weekends so would be 14 days rather than say 10. Bringing the worker back on part-time hours is still considered full days off so will continue to impact your penalties. Unless properly managed by you, incorrect workplace claims will result in penalties.

## WHAT TO DO: KNOW, PREPARE, MANAGE

- **KNOW** who you employ: get their ACC history when you recruit. This helps you to understand the claim history of your new employees as well as what if any pre-existing conditions there are.
- **PREPARE** alternative duties and job descriptions: the physio and doctor will benefit from having a job description so they can clearly understand what the employee can or cannot do at work. Most strain injuries result from pushing/pulling, lifting/lowering, and climbing up/down. Employers can review how these activities could be reduced through better/appropriate equipment, workstation/area design and task variation.
- Is it a legitimate claim? Firstly make sure the claim actually happened *at work* rather than at home or on the sport field, etc. Talk with ACC if you think there are doubts. Phone 0800 222 096 or email [workinjury.inquiry@acc.co.nz](mailto:workinjury.inquiry@acc.co.nz)
- **MANAGE** the claim: being proactive with your claim such as talking with your employee on a regular basis, being proactive with ACC, and asking how ACC can help rather than waiting to be told later down the track. Get an ACC Medical Authority - when a claim happens it is difficult to manage it properly without having the legal permission from your employee to talk with the doctor, physios, ACC, etc. Obtaining these authorities beforehand will enable you to be prepared, and act promptly when needed.

## FREE RESOURCES: VISIT [WWW.WORKRISK.CO.NZ](http://WWW.WORKRISK.CO.NZ)

- Claims Toolkit: includes the ACC Pre-employment form & Medical Authority form
- ACC Benchmark: get your business benchmarked and find out how to save money
- ACC Savings Review



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