Technical Brief: Managing Workers' Compensation Claims

Claim response, OSHA reporting, return-to-work, and Experience MOD mechanics - adapted for Ducere's subcontractor program

Executive summary

Workers' compensation is the highest-frequency, highest-severity insurance exposure in construction, and for a general contractor it does not stop at the GC's own payroll: under O.C.G.A. 34-9-8, a GC can be held liable as statutory employer for an injured worker of an uninsured subcontractor. This brief covers claim types, injury response, OSHA reporting deadlines, return-to-work programs, claims management, and how the Experience MOD prices every claim decision back into Ducere's premium.

1. Claim types in construction

Workers' compensation claims: injuries and illnesses arising on the job. Coverage is mandatory for covered employers in nearly every state, and OSHA monitors workplace injuries. This brief focuses exclusively on this category.

Other liability lines: commercial auto, general liability, property, cyber, D&O;, and environmental claims follow separate procedures and are outside this brief's scope.

2. Employee injuries and what work comp covers

1 in 100	2/3	100%
construction workers injured badly enough to need time off, every year	of average weekly wage replaced while out (state-capped)	of the premium is paid by the employer, never the employee

Covered benefits: medical expenses for the injury, wage replacement (typically two-thirds of the average weekly wage, subject to state maximums), permanent disability benefits, vocational retraining, and death and burial benefits for survivors.

The GC backstop: under O.C.G.A. 34-9-8, if a subcontractor is uninsured and the Board later finds the injured worker was that sub's employee, the claim can land on Ducere as the statutory employer. Separately, at premium audit, payroll paid to an uninsured sub can be added to Ducere's own policy - an uninsured sub is a hard-dollar cost, not just a paperwork gap.

3. Responding to an injury

Respond immediately: get the injured worker into a defined, pre-approved medical care path without delay. Speed of first response drives both the worker's outcome and the claim's cost trajectory.

Run a thorough investigation: capture the injured worker's name, date of birth, wage basis, and job details; the what, where, why, and how of the incident; and any prior medical history relevant to the claim. Photograph the scene before it changes.

Communicate continuously: explain the claims process and the return-to-work policy to the worker, and check in regularly. Silence is where attorney involvement and claim escalation start.

4. OSHA reporting deadlines (federal)

EVENT	REPORTING DEADLINE	NOTES
Work-related fatality	8 hours	Applies to ALL employers, including those exempt from routine recordkeeping.
In-patient hospitalization, amputation, or loss of an eye	24 hours	Same universal applicability; report each qualifying event.
Form 300A annual summary	Filed by March 2	Establishments with 250+ employees, or 20+ in designated high-hazard industries (construction included), must file electronically.

These clocks run from when the employer learns of the event, not from the end of the shift. The project PM and Korey should both know same-day; the report itself goes through the designated corporate channel, not the jobsite trailer.

5. Return-to-work (RTW) programs

The core idea: transitional or modified duty as close to the worker's original role as medically allowable. RTW is the single highest-leverage claims tool available, because it converts indemnity (lost-wage) payments - which hit the Experience MOD at nearly full weight - into medical-only payments, which are discounted in the MOD formula.

ROI drivers: lower indemnity payments, lower medical costs, a lower Experience MOD, better retention and morale, and reduced claim frequency and severity over time.

6. Effective claims management

Quality medical care access: transportation to care, vetted treating physicians, and no gaps between treatment authorization and scheduling.

Catastrophic claims: hospital visits, direct family engagement, and a single point of contact for the family. Catastrophic claims are managed differently - not escalated louder.

Targeted nurse case management: reserve it for lost-time claims, non-compliant patients, surgery cases, and complex comorbidities (diabetes, hypertension) that slow recovery.

7. The Experience MOD - how every claim decision is priced

The Experience Modification Rate (MOD) compares a company's actual losses to the expected losses for its industry class and payroll size. Below 1.0 earns a premium credit; above 1.0 pays a debit.

BASE PREMIUM	MOD	FINAL PREMIUM	EFFECT
$100,000	0.80	$80,000	20% credit
$100,000	1.00	$100,000	Neutral
$100,000	1.25	$125,000	25% debit

THE 30% RULE - WHY RTW MOVES THE MOD

Medical-only claims are counted in the MOD formula at roughly 30% of their actual value, but indemnity (lost-wage) payments count at nearly full weight. A lost-time claim converted to modified-duty work can cut its MOD impact by two-thirds or more. This is the direct dollar argument for a real RTW program and for closing gaps quickly: every day a claim sits in lost-time status, it is pricing itself into Ducere's premium for the next three rating cycles.

8. How Ducere's program already controls this exposure

WC affidavit standard (Georgia): a Workers' Compensation Exemption Affidavit is valid 12 months from signature, paired with an affirmative duty on the sub to notify Ducere in writing within 5 days of hiring a third employee - because O.C.G.A. 34-9-2 requires coverage the day the third employee is hired, not on the affidavit anniversary.

Georgia threshold: the three-employee rule is why the under-3 affidavit exists, but it is only as good as the sub's own honesty. Florida requires WC at one employee for construction - the Georgia affidavit is meaningless on Palm Coast work.

Payment gate: no payment without active Workers' Comp (or valid unexpired affidavit), W-9, and Additional Insured status on the global vendor record in BuildPass. COIs and affidavits are human-reviewed; Additional Insured is not auto-verified.

Statutory exposure discipline: Ducere's WC exposure runs through its subcontractors' classification calls. An uninsured sub is a premium-audit assessment and a statutory-employer claim risk at the same time - which is why the Do-Not-Hire hold applies to vendors whose coverage lapses.