



*Pacific Western Distributors Ass'n*  
**Association members slash workers'  
comp costs by paying small claims**

BY JIM CARTER

Absorbing small claims by paying them directly while utilizing high deductibles has saved Pacific Western Distributors Ass'n members significant premium dollars on their package and auto policies for years.

PWDA members are now using these same techniques to reduce their soaring workers' compensation premiums.

In California \$1 spent paying a small claim costs an employer \$3 in higher experience modification charges. Suhr Risk Services has prepared an illustration for PWDA members showing a 34-point drop in experience modification by reducing the frequency of claims.

How can you pay your small claims? California defines "first aid" in labor code Section 5401 as "any one-time treatment of minor scratches, cuts, burns, splinters or minor industrial injury".

Last month we discussed how PWDA members save money by the proper use of occupational clinics. Your relationship with an occupational clinic is the key to managing your first aid claims.

The clinic must send the bill to you, not your insurance company. Once the insurer receives the invoice, it's required to pay it and it will be charged to your experience modification.

After you've paid the first aid invoice submit Form 5020 (Employer's First Report of Injury) to your insurance company. Mark the form "First Aid Claim-Paid."

Finally, provide the injured worker with a DWC Form (Employee's Claim for Workers' Compensation Benefits). The form must be put in the employee's personnel file.

Importantly, remember two caveats:

- If an injury requires treatment beyond first aid, the employer must report it or be subject to penalties.
- This description of first aid only applies to California. Each stat has its own rules and regulations for paying workers' compensation claims.

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