



CASE STUDY

Workers' Compensation Consulting Results in Significant Savings



The Request

Develop a strategy for closing 60 litigated workers' compensation claims.

A Fortune 500 company asked Brown & Brown to lead and assist in a claim closure project for a recently closed location. Our team was specifically hired to develop a strategy for closing 60 litigated workers' compensation claims.

Going into the process, the team knew they faced a challenging jurisdiction based on previous claims. This was based on:

- The medical community showing preference towards the employee despite the jurisdictional directive for the employer to direct care.
- The employer being recognized as having a heavy union influence in matters of workers' compensation.
- The plaintiff's bar having a handful of law firms that consistently represented the employees and were not opposed to taking the case to a hearing given favorable decisions from the division.

The matter became further complicated when two physicians, who were former employer-oriented physicians, agreed to serve as subject matter experts for the plaintiff's bar. The doctors used their history at the employer facility to their advantage, stating they had credibility with an inside view of all job positions, making it difficult to mount a defense.



The Solution

Multi-faceted approach.

Our multi-faceted approach to close the 60 litigated workers' compensations claims consisted of the following:

- 1 Customer meetings to address **settlement versus litigation** mindset.
- 2 Claim reviews, including both defense counsel and the third-party claims administrator. The goal was to **develop an agreed-upon strategy for claims**, including aggressively negotiating settlements at the earliest opportune time.
- 3 Appointment of a **third defense firm** in addition to the two defense firms already in place, allowing us to spread 60 litigated cases across the defense firms. This helped allow our team to negotiate from a position of strength, and for a more assertive approach in our review of medical and past medical claims.
- 4 Organization of a **"Claims Settlement Day"** that consisted of the following:
 - Notifying several plaintiff firms we were going to conduct a Claims Settlement Day, providing them 60 days to prepare their medical support, rating reports, case evaluation and a demand.
 - Preparing defense cases with a negotiating plan representing both the pros and cons of the case along with evaluation recommendations.
 - Meeting plaintiffs' counsel at a defense firm's office in the jurisdiction and encouraging plaintiffs to be present with a readiness to settle.
 - Including employer and third-party claim administrative representatives at the meetings with full settlement authority.
 - Arranging for a judge to be on-call at the division to provide immediate approval on agreed-upon settlements and issuing settlement checks within a day of this approval.

In addition, at the inception of this workers' compensation claim closure project, Brown & Brown emphasized that the need to close the workers' compensation cases would entail some concessions relative to settlement. The customer adopted this approach, since negotiating claim resolution can be a better outcome in lieu of continued legal/case management fees, and safer than risking the adverse decision that could result in an open award and lifetime medical benefits at a hearing.



The Results

After one year, only 11 out of the original 60 workers' compensation claims remained open.

The “Claims Settlement Day” was a success and resulted in:

23

claims that reached agreed-upon settlements

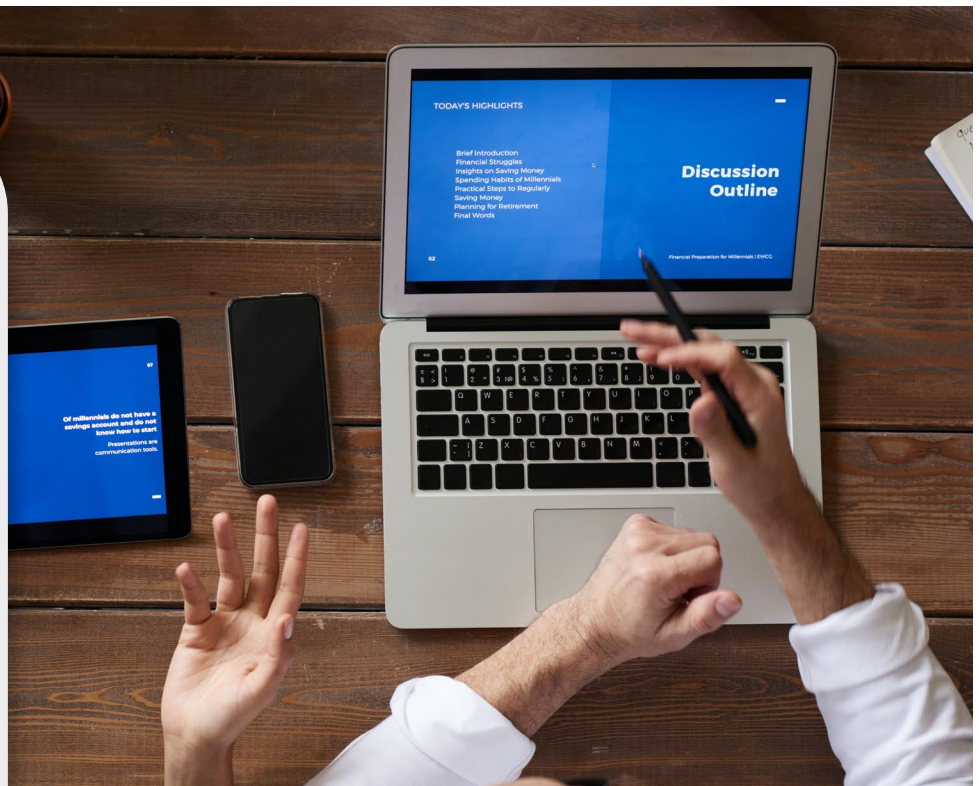
18

cases with pending offers as of the settlement day*

**those cases subsequently resolved in the next 7-10 days*

0

six-figure settlements



Brown & Brown believed the most impactful way to measure this project was the number of open litigated cases at the beginning of the project and the number of files closed at the end of the project. The project lasted for one year. **Only 11 open workers' compensation claims remained out of the original 60 litigated cases from 12 months prior.**

Of the 11 open claims, one consisted of a permanent and total disability award and another involved a unique causation situation alleging a cancer diagnosis as a result of exposure. The other nine cases included individuals who wanted to seek treatment and were awarded treatment by the compensation division, as well as cases where demands were not practical and could not be met.

During the last three months of the project, COVID-19 also began to impact these cases. Many elective procedures were put on hold and the state's compensation division was operating at a limited capacity. Hearings that were initially postponed were later set as virtual meetings to keep the project moving forward. Brown & Brown continued to close the customer's claims even with the additional challenges brought by the pandemic.

The customer appreciated the cost savings as a result of halting ongoing litigation expenses, limiting case management expenses and eliminating additional medical and expense exposures. The customer was very pleased and impressed with the outcome delivered by Brown & Brown.



How Brown & Brown Can Help

Connect with our Brown & Brown team to learn about our knowledge in your industry, how we build our risk mitigation strategies and how we can aid your business in building a cost-saving employee benefits program.



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Find Your Solution at [BBrown.com](https://www.brownandbrown.com)

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