

Focus: Understanding Lag Time

Captive Insurance Company - Lag Report - By Member - WC Only

Member Name:	Claim Count	Employee Lag	Company Lag	Total # of Lag	Average # of Days
MEMBER COMPANY, INC					
Contract Period			Location ID:	90500	
07/01/2020 - 6/30/2021	6	2	13	15	3
07/01/2021 - 06/30/2022	11	58	244	302	27
07/01/2022 - 06/30/2023	9	1	71	72	8
4th Quarter Accumulative	26	61	328	389	15

LAG TIME refers to the period between when a workplace injury occurs and when it is reported, or a claim is filed.

There are two key types of lag time:

Employee lag time (eLag) - This is the time between when an employee is injured at work and when they report it to their employer. Employees may hesitate to report minor injuries, hoping they will heal on their own. But delays in reporting can make it harder to link the injury to the workplace and get appropriate workers' comp benefits.

Company lag time (cLag) - This is the time between when an employer learns of an employee's injury and when they report it to their workers' comp insurer. Employers may delay reporting in hopes the employee won't file a claim. But late reporting can raise suspicions of a cover-up.

YEAR	eLag	cLag	tLag
2016	0.8	1.9	2.8
2017	0.1	2.4	2.5
2018	2.0	2.9	4.9
2019	0.6	2.5	3.1
2020	0.5	1.8	2.3
2021	0.0	1.9	1.9
Total Average Lag Time in Days	0.8	2.2	3.1

The industry standard for claims reporting is three days. Compare the member's **Total Lag Time (tLag)** to the industry benchmark to see how they are doing. However, realize that this is the Gold Standard. It is also a good idea to compare the member's tLag to their captive's average, which is usually greater than 3.0 days. If you don't know the captive average, check with your team coordinator.

Captive Insurance Company - WC Lag by Percentage
07/01/2020 - 06/30/2023, valued as of 06/30/2023

Member ID#: XXXXXX	Claims	Experience
Member: MEMBER COMPANY, INC	26	\$327,675
Description by Lag Category :	Claims by Lag Category	% of Claims
5 or less days	12	46%
6 - 10 days	5	19%
11 - 15 days	2	8%
16 - 20 days	1	4%
21 plus	6	23%
	26	100%

Increased lag time by either party (eLag or cLag) can negatively impact workers' comp claims. Delays mean evidence gets stale and injuries worsen. Employees may be unable to get medical care or lost wages. Lengthy lag times can also lead to litigation and mistrust. Workers' comp works best when injuries are reported promptly by both parties. Doing so facilitates quick care for the injured worker and smooth processing of the claim.

Tips you can give to the member:

- **Communicate** clearly to employees that all injuries, no matter how minor, must be reported immediately.
- **Train** supervisors on prompt injury reporting protocols. Make it clear lag time is unacceptable.
- **Implement** a short window (24-48 hours) for reporting injuries after they occur. This encourages early reporting before memories fade.
- **Investigate** all late reports for reasons why. Look for faulty reporting procedures or equipment/workflows that are causing injuries.
- **Streamline** your reporting process so it's fast and easy for supervisors to complete reports and submit to insurer.
- **Communicate** to supervisors that late reporting can harm injured employees and lead to litigation.