



CASE STUDY

Reducing Workers' Compensation Claims and Costs Through a Risk Control Plan



The Request

Reduce injuries and costs due to workers' compensation claims

Company Profile

Industry: Hospitality

Employees: 300,000

Location: 100 countries, including the U.S.

Request

Brown & Brown is the broker for one of the world's largest hotel and resort management companies. The company requested that our Risk Control team help reduce the frequency of colleague injuries and, ultimately, the costs at select hotels that had historically driven their workers' compensation losses.



The Solution

Developed a Risk Control Plan that included instituting several programs and committees

Solution

The primary safety focus was on the housekeeping departments, specifically reducing injuries to room attendants. Historically, the majority of workers' compensation claims for the hotel and hospitality industry and the customer come from room attendants while cleaning guest rooms.

Our team helped develop Risk Control Service Plans for each hotel within the program and correlated these plans directly to proactive safety activities. These components were achieved by assisting and working with the hotels in instituting and/or enhancing the following:

- Colleague Safety Education and Training
- Colleague Safety Observations
- Safety Committee Effectiveness
- Departmental Safety Inspections
- Colleague Incident Investigation and Corrective Actions
- Pre-Shift Warmups



The Results

62%+ reduction in claims frequency and 31%+ reduction in average cost



Results

As a result, the hotels that consistently embraced the various aspects of the program by location management and colleagues showed the following results not only in housekeeping but in other departments as well:

- Reduction of colleague injury frequency and costs
- Compliance with OSHA regulatory standards
- Enhanced relations between hotel staff and management from more frequent interactions
- Improved quality experience and satisfaction scores from hotel guests
- Improved colleague satisfaction scores

Two of the hotels within the program consistently made a point to embrace the colleague safety activities at both the management and colleague levels and showed dramatic improvements in the financial impact of their workers' compensation claims and frequency reductions in most cases. (See data below.)

Hotel & Calendar Year	Freq.	Total Incurred \$	Average Total Incurred \$	
HOTEL #1	273	\$3,652,597	\$13,379	
2017 (Hotel opened in mid-2017)	62	\$116,045		\$1,872
2018 (First full year of operation)	108	\$2,127,572	44%	\$19,700
2019	103	\$1,408,980		\$13,679
HOTEL #2	44	\$1,131,179	\$25,709	
2017	15	\$676,898		\$45,127
2018	17	\$304,020	88%	\$17,884
2019	12	\$150,261		\$12,522

Note:

- Hotel #1 - Housekeeping claims frequency dropped from 99 to 38 (62% reduction between 2018 & 2019).
- Hotel #2 - Housekeeping claims frequency dropped from 16 to 3 (81% reduction between 2018 & 2019).
- The Average Cost per claim also dropped significantly for both hotels at 31% and 72% respectively.



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 insurance program.



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

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