



# DANGER: HIGH RISK AHEAD

## Managing Workers' Comp Exposure in Risky Industries

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**T**he landscape of workers' compensation is continuously evolving, especially within high-risk industries such as construction, health care, transportation, retail, and hospitality. These sectors face unique challenges that require proactive risk management strategies focused on injury prevention, cost control, and employee well-being. In this environment, employers, claims professionals, and defense counsel must collaborate closely

to mitigate risk, reduce claim frequency and severity, and improve outcomes for both organizations and their workforces.

Effective risk management begins with a deep understanding of the workforce and a comprehensive evaluation of existing safety protocols. A successful injury prevention program is not merely a checklist of safety rules; it should be an integral part of the company's culture. This cultural integration requires a top-down commitment to safety, where leadership sets clear expectations and leads by example.

Written safety policies should clearly articulate the organization's safety objectives, define employee responsibilities, and establish accountability at every level. These policies must be well communicated and consistently reinforced through day-to-day operations and managerial oversight. When safety becomes ingrained in a company's values, it naturally influences behavior and promotes a proactive approach to risk.

### TRAINING AND COMMUNICATION: FOUNDATIONS OF INJURY PREVENTION

Education and training are critical to embedding safety into the workplace culture. Supervisors, managers, and frontline employees must receive ongoing training on safe work practices, hazard recognition, and emergency response procedures. Routine safety meetings, toolbox talks, and performance evaluations should include discussions on safety performance and continuous improvement.

Equally important is employee involvement in safety planning. Encouraging staff to participate in hazard identification, safety committees, and job hazard analyses fosters a sense of ownership and accountability. When employees are engaged and informed, they are more likely to adhere to protocols and identify potential risks before an incident occurs.

### EARLY HAZARD DETECTION AND INCIDENT INVESTIGATION

One of the most effective methods of injury prevention is the early identification of workplace hazards. Employers must implement systems that allow for real-time reporting and



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correction of unsafe conditions. When incidents do occur, prompt and thorough investigations are critical.

Incident investigations should be conducted within 24 hours, whenever possible, and should focus on root cause analysis rather than assigning blame. Reports should outline corrective actions, identify contributing factors, and suggest changes to training, procedures, or equipment to prevent recurrence. Documentation should include photos or videos of the scene, witness statements, a review of the injured employee's training history, and an evaluation of whether third-party liability exists for subrogation purposes.

#### **WORKFORCE HEALTH AND WELLNESS PROGRAMS**

According to the Centers for Disease Control and Prevention (CDC), workplace health programs promote and protect employee health by combining policies with benefits and environmental supports. These programs can reduce absenteeism, improve morale, boost productivity, and lower health care and workers' compensation costs.

In high-risk industries where physical demands and occupational stress are often heightened, health and wellness initiatives play a vital role in both injury prevention and recovery. Access to wellness programs, physical therapy, and mental health services help employees build resilience and maintain their well-being, which in turn supports a safer and more engaged workforce.

#### **RECRUITING AND RETAINING THE RIGHT TALENT**

Hiring the right employees is another essential risk management strategy, particularly in physically demanding or hazardous work environments. The hiring process should include behavioral interview techniques that assess a candidate's comfort and experience with safety protocols. Interviewers should ask targeted questions about previous safety training, responses to high-risk situations, and contributions to jobsite safety culture.

A well-written job description is equally important. Clearly defined roles and responsibilities set appropriate expectations and help prevent misunderstandings that can lead to injury or dissatisfaction. Moreover, job descriptions serve as valuable documentation in the event of a dispute or litigation, and can support claims management by defining the physical and mental requirements of a role.

#### **EFFECTIVE ONBOARDING AND TRAINING PROGRAMS**

Once hired, new employees must be set up for success. Onboarding and training programs should cover not only operational procedures, but also safety expectations, emergency protocols, and proper use of tools and equipment. Objectives should be clearly defined, and employees should be assessed on their understanding of workplace hazards and appropriate countermeasures.

Integrating safety into onboarding ensures that employees begin their tenure with a full awareness of their responsibilities and the organization's commitment to risk reduction. Refresher training and mentoring programs can reinforce safe practices and reduce the likelihood of early-stage injuries, which are often more frequent in the first six months of employment.

#### **INJURY MANAGEMENT AND RETURN-TO-WORK STRATEGIES**

An effective injury management plan is essential for controlling claim costs and supporting injured workers through recovery. High-performing organizations implement structured return-to-work (RTW) programs, which provide modified duty options and ensure clear communication between the employer, medical providers, and claims professionals.

RTW programs help reduce indemnity exposure and facilitate a faster, safer reintegration of injured employees into the workforce. Additionally, employers should adopt medical management protocols that emphasize early intervention, active treatment plans, and coordinated care strategies.

Strategic claim reviews and proactive file management are also crucial to minimizing claim duration and identifying opportunities for resolution. Regular collaboration between internal stakeholders and insurance partners ensures that claims remain on track and that any red flags—such as delayed recovery, comorbidities, or potential fraud—are addressed promptly.

#### **ADDRESSING MENTAL HEALTH IN HIGH-RISK INDUSTRIES**

Mental health is an increasingly important component of workers' compensation risk management, particularly in industries where employees face high levels of stress, trauma, or emotional strain. Construction workers, health care professionals, restaurant staff, and transportation workers are all exposed to circumstances that can exacerbate mental health issues and complicate the recovery process.

By incorporating mental health awareness into safety programs and medical management protocols, employers can improve claim outcomes and reduce the likelihood of long-duration claims. Providing access to Employee Assistance Programs (EAPs), mental health counselors, and stress reduction resources demonstrates an organization's holistic commitment to employee wellness.

Workers' compensation risk management in high-risk industries requires a comprehensive, coordinated, and proactive approach. From fostering a culture of safety and wellness to improving hiring practices, training, and injury response protocols, employers must take a holistic view of workplace safety and workers' compensation management. When implemented effectively, these programs not only reduce injuries and claim costs but also improve employee morale, retention, and productivity—resulting in a healthier and more resilient organization. ■

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