WORKERS' COMPENSATION RISK MANAGEMENT MANUAL

A Practical Guide for Employers

Controlling Costs • Protecting Employees • Managing Claims

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Introduction: Why Workers' Comp Management Matters

Workers' compensation is one of the most controllable costs in your business — if you manage it proactively. Most employers treat workers' comp as a bill they simply pay every year. The employers who consistently keep their premiums low treat it as a managed program with clear policies, trained staff, and documented procedures.

This manual is designed to give you the tools to do exactly that. It covers every major component of a proactive workers' comp program, from hiring practices to premium audit preparation. Each chapter includes practical guidance, checklists, and forms you can put to work immediately.

The Core Components of a Proactive Workers' Comp Program

- Hiring Practices
- Employee Wellness
- Compliance
- Safety Procedures
- Safety Culture
- Health Risk Factors
- Training
- Communication
- Return-to-Work / Recover at Work
- Medical Provider Relationships
- Premium Audit

The following chapters address each of these components. The goal is simple: fewer claims, lower severity, and a workers' comp premium that reflects your effort — not just your luck.

Chapter 1: Hiring Practices

The foundation of any effective workers' comp program starts before an employee's first day. The people you hire, and the process you use to hire them, directly affect your claim frequency and severity.

Pre-Employment Best Practices

- Use structured, consistent job applications that capture complete work history.
- Conduct thorough reference checks — prior employers can reveal important information about attendance, safety incidents, and work habits.
- Require pre-employment physicals only after a conditional job offer has been made, in compliance with ADA guidelines.
- If using drug and alcohol screening, apply the policy uniformly to all candidates for the same role.
- Use background checks consistently and in compliance with applicable state and federal laws.

IMPORTANT: Legal Compliance Tips

- Always consult your employment law attorney to ensure your hiring practices comply with local, state, and federal laws.
- Any records developed as part of the pre-employment process must be kept in a separate file from other personnel file information.
- Your hiring process can intersect with both the Family Medical Leave Act (FMLA) and Americans with Disabilities Act (ADA). Consult the ADA website to confirm what is and is not acceptable.

Onboarding and Setting Expectations

The onboarding process is your first opportunity to set the tone for safety and accountability. Human Resources plays a vital role here. Key elements include:

- Communicate your Recover at Work program to all new employees before an injury occurs — no surprises.
- Review your drug and alcohol policy and have employees sign an acknowledgment.
- Explain your injury reporting procedure and who to contact.
- Introduce your safety culture and make clear that safety is a core company value.
- Have employees complete required FMLA and ADA acknowledgment forms.

Setting expectations from day one creates the buy-in you need to manage claims effectively if an injury does occur.

Chapter 2: Building a Safety Culture

There is a difference between being safety conscious and having a safety culture. Safety consciousness is knowing what to do. Safety culture is doing it automatically — at every level of the organization, every day, without being reminded.

According to the 2016 Smart Market Report, safety culture is measured by seven groups of leading indicators:

- Management Commitment to Safety and Health
- Safety and Health Are Fundamental Company Values
- Accountability on Projects for Safety and Health
- Worker Involvement in Jobsite Safety and Health
- Supervisory Leadership on Safety and Health
- Company Communication About Safety and Health
- Owner Involvement in Project Safety and Health

When a company has achieved a genuine safety culture, the next step is to form a safety committee.

Establishing a Safety Committee

A safety committee formalizes your commitment to workplace safety and creates accountability. According to the Society for Human Resource Management, the typical responsibilities include:

- Develop safe work practices
- Craft written safety programs
- Lead safety training
- Conduct workplace inspections and safety audits
- Review incidents, near-misses, accident investigation reports, claim summaries, and loss analyses to prevent recurrence
- Establish dispute resolution procedures
- Propose and create safety checklists
- Promote employees' interests in health and safety issues
- Provide a forum for labor and management to discuss health and safety issues and collaborate on solutions

Safety Committee Best Practices

The committee should consist of a mix of employees and managers. If you use an outside safety management firm, include a representative on the committee. To have the best impact, your safety committee should:

- Hold consistent and regularly scheduled meetings
- Create clear agendas for the meetings in advance
- Publicize all committee activities and decisions company-wide
- Share accomplishments throughout the company
- Require mandatory attendance from all committee members
- Take notes and minutes of every meeting
- Focus solely on legitimate safety issues, concerns, and regulations
- Set and track both short-term and long-term safety goals

The Bottom Line on Safety

- Safety is not an accident. Safety needs to be a core value of a company to keep the best employees and stay profitable.
- There will be some incurred expenses — but viewed as an investment rather than a cost, safety programs consistently pay dividends.

Chapter 3: Injury Response & Claim Management

When an injury occurs, how you respond in the first 24–48 hours has an enormous impact on the ultimate cost and outcome of the claim. Every minute of delay increases the cost.

Immediate Response Protocol

For any emergency, call 911 immediately. For non-emergency on-the-job injuries, follow this sequence:

1. Injured worker alerts supervisor immediately.
2. Supervisor reports the incident to the insurance carrier and the safety coordinator within 24 hours.
3. Provide the injured worker with prompt medical treatment — do not delay.
4. Arrange transportation to the clinic with the Injured Worker Packet if the employee cannot self-transport.
5. Supervisor obtains written diagnosis and treatment plan from the treating physician.
6. Maintain communication with the clinic, claims adjuster, and injured worker throughout the process.
7. Injured employee remains on the job with accommodation if medically feasible.
8. Investigate the incident and take corrective action.
9. Complete, post, and maintain OSHA 300 forms as required.
10. The injured employee reports to their supervisor the next day to discuss status.
11. Maintain ongoing contact with the employee to re-evaluate injury progress.
12. Utilize Recover at Work alternate job bank and/or restricted duty accommodation.
13. Secure Recover at Work Authorization form from treating physician.
14. Provide copy of Work Authorization form to insurance carrier.
15. Follow up to ensure corrective measures have been completed.

Accident Investigation

Every incident — even near-misses — should be investigated. Accident investigation reports must be submitted to the safety coordinator within 24 hours. These reports are also essential documentation if OSHA visits.

Steps for an effective accident investigation:

1. Implement temporary control measures to prevent any further injuries.
2. Review the equipment, operations, and processes to understand the accident situation.
3. Identify and interview each witness and any person who might provide clues to the accident's causes.
4. Investigate causal conditions and unsafe acts; make conclusions based on existing facts.
5. Complete the accident investigation report.
6. Provide recommendations for corrective actions.
7. Indicate the need for additional or remedial safety training.

Chapter 4: The Recover at Work Program

A Recover at Work (RAW) Program — often called a Return to Work program — is one of the most powerful tools an employer has to control workers' comp costs. The language matters: “Recover at Work” signals to employees that the program is about their recovery, not just getting them back on the clock.

The financial impact is substantial. Keeping a claim as medical-only (no indemnity paid) can save significant dollars over the life of a claim. For example, effective RAW programs have been shown to save $24,000–$35,000 or more per claim over three years.

Why Recover at Work Works — The Data

According to the RAND Corporation, companies with a Recover at Work program in place reduce the median number of weeks an injured employee is absent from work by 3.8 weeks — a 42% difference compared to companies without one.

For injuries causing permanent disability, the impact is even greater.

Program Components

An effective Recover at Work program requires the following:

1. Written Policy

Establish a clear written Recover at Work policy. Employees must be notified of this policy and agree to notify the company if they cannot perform their regular duties. Without this, there is no accountability. Consult an attorney to ensure compliance with municipal, state, and federal laws.

2. Recover at Work Coordinator

Designate a Recover at Work Coordinator. This person is responsible for:

- Implementing the program and training staff
- Communicating the program to medical facilities and other relevant parties
- Identifying suitable modified duty assignments for different injury severities
- Disseminating information to all relevant parties throughout the recovery process

3. Modified Duty Job Bank

Develop a bank of modified duty assignments that accommodate a range of injury severities — from minor cuts that prevent full regular duty to injuries where the employee is ordered to stay home. Even employees ordered to stay home by a doctor can often perform light tasks such as answering emails, filing papers, or updating company social media, as long as this is well-communicated and compliant with the physician's restrictions.

4. Medical Provider Relationships

Identify preferred medical providers and establish relationships with them before any injury occurs. In states where you can direct injured workers to a specific provider, give that provider a copy of your modified duty job descriptions so they can make appropriate decisions. In states where you cannot direct care, you can still suggest providers and share your Recover at Work options with any provider treating your employees.

The goal is for the treating physician to understand what options you have available, so their decision about the employee's restrictions is informed by realistic modified duty possibilities — not just a binary choice between full duty and off work entirely.

ERA States: Experience Rating Adjustment Plan

In many states, keeping a claim as medical-only (no lost time / no indemnity) is rewarded in the experience modification (MOD) calculation. These are called ERA States (Experience Rating Adjustment Plan). In ERA states, medical-only claims are discounted in the MOD formula because rating bureaus recognize that the indemnity (lost wages) portion is the largest driver of claim cost — and by controlling that, employers demonstrate effective claims management.

Missouri & Kansas Employers

- Both Missouri and Kansas participate in the ERA program. This means every claim you keep as medical-only has an outsized positive effect on your MOD — and therefore your premium.

Chapter 5: Recognizing & Addressing Claim Fraud

While the vast majority of workers' compensation claims are legitimate, approximately 2% of all claims are determined to be fraudulent. Any claim — legitimate or not — affects your experience modification and your premium. If you suspect fraud, you have every right to investigate.

The following are common red flags. The presence of two or more of these factors in a single claim warrants closer attention. These are indicators, not proof — many perfectly valid claims contain one or more of these characteristics:

- **Monday Morning Reports —** injury reported Monday for an incident allegedly occurring Friday
- **Suspicious Providers —** provider known for high-volume, litigation-oriented claims
- **Conflicting Descriptions —** story changes or does not match physical evidence
- **Treatment is Refused —** employee refuses reasonable medical treatment
- **Claimant is Hard to Reach —** employee difficult to contact between appointments
- **Employment Change —** layoff, demotion, or disciplinary action shortly before claim
- **No Witnesses —** unwitnessed injury in a location where others are usually present
- **History of Claims —** prior claims history with this or other employers
- **Late Reporting —** significant delay between alleged injury and report
- **Other Changes —** unexplained changes in physician, mailing address, or home address

If You Suspect Fraud

- Document everything.
- Contact your insurance carrier's Special Investigations Unit (SIU) immediately.
- Consult your attorney. Do not confront the employee directly.
- Remember: every undetected fraudulent claim raises costs for all employers.

Chapter 6: Preparing for Your Premium Audit

According to the Institute of WorkComp Professionals, approximately 75% of all premium audits are incorrect — and in most cases, the error favors the carrier. If you simply accept your audit results, there is a good chance you are being overcharged.

Why Audits Go Wrong

- Auditors are human and can make mistakes.
- Information given to the auditor was incomplete or inaccurate.
- The insured was not prepared ahead of time.
- Remuneration that should be excluded was included in the audit.
- The auditor applied a higher-rated class code than appropriate.
- The auditor incorrectly changed an employee's classification.
- The insured did not obtain proper Certificates of Insurance from subcontractors.

Preparing for the Auditor

Treat the premium audit as an opportunity, not an inconvenience. The auditor has two goals: maximize your premium and process audits quickly. If you help them finish quickly by providing a clean, organized package, you create goodwill and reduce the risk of errors.

- Assign a knowledgeable, friendly staff person to work with the auditor — does not need to be the owner or CFO, but must understand your workers' comp classifications and payroll.
- Provide a clean, well-lit workspace for the auditor.
- Have your audit packet prepared before the auditor arrives.

Your Pre-Audit Package

Prepare the following for the auditor:

1. Summary Worksheet and Copies of Payroll Report, broken down as follows:

a. Use a spreadsheet in Excel, or obtain a breakdown from your payroll service (ADP, Paychex, etc.)
b. Classify each employee who worked during the policy period with the correct workers' comp class code. Work with your insurance agent if you need help.
c. Adjust for Excluded Remuneration (see below for common exclusions).
d. Total and balance to payroll records.
e. Create a summary worksheet.

2. Copies of Certificates of Insurance from each subcontractor used during the policy period. Do not allow a subcontractor to work without providing a current certificate.

Common Excluded Remuneration (Check with your agent for your state)

- Tips and gratuities
- Group life and health insurance premiums paid by employer
- Employer contributions to qualified pension/retirement plans
- Overtime premium (the extra half-time portion)
- Severance pay
- Active military pay
- Expense reimbursements with receipts
- Uniform/tool allowances

Your Agent Is Your Audit Partner

- Your insurance agent should be an active partner in your premium audit preparation. Call us before the auditor arrives — we can help you organize your payroll data, confirm correct class codes, and flag any issues in advance.

Forms & Checklists

The following forms are designed to be completed by hand or typed and are referenced throughout this manual. Reproduce them as needed for your safety program.

- Form 1: First Report of Injury
- Form 2: Accident Investigation Report
- Form 3: Workers' Comp Claim Fraud Indicator Checklist
- Form 4: Premium Audit Preparation Checklist
- Form 5: Recover at Work — Modified Duty Job Bank
- Form 6: Payroll Inclusions / Exclusions Checklist
- Form 7: Post-Audit Dispute — Common Errors to Check
- Form 8: Conditional Offer of Employment
- Form 9: Pre-Employment Medical History Questionnaire

Form 1: First Report of Injury

Company Name:	
Date of Report:	
Completed by:	
Title:	
EMPLOYEE INFORMATION	
Employee Name:	
Job Title:	
Date of Hire:	
Date of Birth:	
Phone Number:	
Address:	
INCIDENT INFORMATION	
Date of Injury:	
Time of Injury:	
Location of Injury:	
Description of Incident:	
Body Part Injured:	
Nature of Injury:	
Witnesses (Name/Phone):	
MEDICAL TREATMENT	
Medical Facility Used:	
Treating Physician:	
Date of Treatment:	
Work Status (full/modified/off):	
Restrictions:	
Next Appointment Date:	
SUPERVISOR SIGN-OFF	
Supervisor Signature:	
Date:	
Report submitted to carrier within:	☐ 24 hours ☐ 48 hours ☐ Other: _____

Form 2: Accident Investigation Report

Company:	
Date of Investigation:	
Investigator Name/Title:	
INCIDENT DETAILS	
Injured Employee:	
Date / Time of Incident:	
Exact Location:	
Task Being Performed:	
Sequence of Events:	
Root Cause(s) Identified:	
Contributing Factors:	
WITNESSES	
Witness 1 Name / Statement:	
Witness 2 Name / Statement:	
CORRECTIVE ACTIONS	
Immediate Action Taken:	
Long-Term Corrective Action:	
Person Responsible:	
Completion Date:	
Additional Training Needed:	
Supervisor Signature:	
Date Submitted:	

Form 3: Workers' Comp Claim Fraud Indicator Checklist

Mark applicable red flag indicators and describe each in the Notes field. Red flags are indicators of the need for further investigation — the presence of one or even several indicators is not necessarily proof of fraud. If two or more are present, contact your carrier's SIU (Special Investigations Unit).

Claimant Name: _____ Date of Injury: _____

✓	Red Flag Indicator
☐	Unexplainable delay in reporting the injury
☐	No witnesses to the alleged injury-producing incident
☐	Insufficient detail provided surrounding the injury-producing incident
☐	Alleged injury seems inconceivable considering the work the claimant performs
☐	Injury is not visible (e.g., soft tissue injury only)
☐	Degree of injury is not likely to result from the alleged incident
☐	Allegations or rumors of fraud and/or claimant has been observed working elsewhere
☐	Incident was reported on a Monday morning (or after one or more days off work)
☐	Claimant has recently purchased disability insurance
☐	Claimant is a new employee
☐	Claimant has no health insurance coverage
☐	Claimant has used all available sick days and vacation days
☐	Claimant is known to have personal financial problems
☐	Claimant is physically active outside of work
☐	Claimant has submitted workers' compensation claims in the past
☐	Inconsistencies revealed from the claimant's initial description of the incident
☐	Claimant is unusually familiar with the workers' compensation system
☐	Claimant is uncooperative and/or objects to administrative controls
☐	Claimant does not provide a street address for a residence
☐	Employer is frequently unable to contact the claimant while off work
☐	Claimant obtained legal representation soon after the alleged incident and/or has counsel with a questionable reputation
☐	Claimant has indemnity checks mailed to his/her residence rather than direct deposit
☐	Subsequent medical evaluations apparently contradict the initial evaluation
☐	Employee has missed scheduled physician visits or rehabilitation appointments
☐	Treatment being provided seems more extensive than the injury warrants
☐	Claimant has changed medical providers more than once after initial treatment
☐	Claimant has been referred to a medical provider in close proximity to the referring medical provider

Total Red Flags Marked: _____ Investigated by: _____ Date: _____

Carrier SIU Notified: ☐ Yes ☐ No SIU Contact: _____ Date Notified: _____

Notes / Description of Indicators:

_____

_____

_____

_____

Form 4: Premium Audit Preparation Checklist

Use this checklist prior to every annual premium audit. Begin gathering information at least 30 days before the auditor's scheduled visit.

✓	Item	Notes
☐	Payroll Summary Worksheet	Broken down by employee and class code
☐	Payroll service breakdown	ADP, Paychex, or equivalent
☐	Employee class codes confirmed	Verified with agent for each position
☐	Excluded remuneration removed	Overtime premium, tips, group health, etc.
☐	Payroll totals balanced	Match to payroll records
☐	Subcontractor COIs collected	Current cert from every sub used
☐	Sub COIs include WC coverage	Verify WC is listed on each cert
☐	Knowledgeable staff assigned	Point person for auditor meeting
☐	Office workspace prepared	Clean, well-lit area for auditor
☐	Prior year audit reviewed	Note any errors or disputed items
☐	Agent notified of audit date	Agent can assist with preparation

Audit Date: _____ Auditor Name: _____ Completed by: _____

Form 5: Recover at Work — Modified Duty Job Bank

Pre-populate this form with available modified duty assignments before any injury occurs. Provide a copy to your preferred medical providers so physicians can make accurate return-to-work decisions.

Modified Duty Assignment	Lifting Limit	Standing / Sitting	Other Restrictions / Notes

Provided to Medical Provider: ☐ Yes ☐ No Provider Name: _____
Date: _____

Form 6: Payroll Inclusions / Exclusions Checklist

Use this checklist when preparing payroll data for your premium audit. Items marked 'Yes' that qualify as excluded remuneration should be removed from auditable payroll. Work with your agent to confirm applicability in your state.

Yes	No	Does your payroll include...?
☐	☐	Overtime (note: only the extra half-time premium portion is excludable, not all overtime)
☐	☐	Tips or other gratuities received by employees
☐	☐	Payments by an employer to group insurance or group pension plans for employees (other than those covered by Rule 2-B-1-f and Rule 2-B-1-m)
☐	☐	Payments by an employer into third-party trusts for the Davis-Bacon Act or a similar prevailing wage law, provided the pension trust is qualified under IRC Sections 401(a) and 501(a)
☐	☐	The value of special rewards for individual invention or discovery
☐	☐	Dismissal or severance payments (except for time worked or vacation accrued)
☐	☐	Payments for active military duty
☐	☐	Employee discounts on goods purchased from the employee's employer
☐	☐	Expense reimbursements — if employer records confirm the expense was incurred as a valid business expense and all three conditions are met (incurred for employer's business; shown separately in records; amount approximates actual expense)
☐	☐	Meal money for late work
☐	☐	Work uniform allowances
☐	☐	Sick pay paid to an employee by a third party (such as a group insurance carrier paying disability income benefits to a disabled employee)
☐	☐	Employer-provided perks: use of company vehicles, airplane flights, incentive vacations, discounts on property/services, club memberships, tickets to entertainment events, educational assistance, relocation/moving expenses
☐	☐	Employer contributions to employee benefit plans: employee savings plans, retirement plans, cafeteria plans (IRC 125), health savings accounts, flexible spending accounts

Expense Reimbursement Exclusion — Three Conditions Required (All Must Be Met)

- The expenses or allowances are incurred for the business of the employer.
- The amount of each employee's expense or allowance is shown separately in the employer's records.
- The amount of the expense or allowance approximates the actual expense incurred by the employee in the conduct of their work.

Note: If an employer did not maintain verifiable receipts for overnight travel, a maximum of $75/day may be excluded. Allowable travel expenses under government contracts are excluded if supported by a copy of the contract provision.

Form 7: Post-Audit Dispute — Common Errors to Check

After receiving your premium audit results, review the audit worksheet carefully before accepting. Common audit errors and what to look for:

Issue	What to Check / Action to Take
Wrong X-Mod Applied	Verify that the correct experience modification factor was applied. Auditors sometimes use the current year's X-Mod instead of the prior year's, which can significantly inflate your premium.
Subcontractors Added to Payroll	If you failed to provide Certificates of Insurance for insured subcontractors, their payroll may have been added to your audit. If you did hire only insured subs, collect and resubmit their COIs to the auditor to have them removed.
Disappearing Credits / Modifiers	Check that all credits and modifiers from the original policy are present on the audit. These include: premium discounts, schedule credits, deductible credits, and state-specific credits. If any are missing, contact your agent immediately.
Rates Changed	If rates on the audit for class codes differ from those on the original policy, the auditor made a major error. Rates must be adjusted back to the correct policy rates.
Separation of Payroll Not Applied	Many industries are permitted to split an employee's payroll across multiple class codes. If you have done this in the past and the auditor tells you it cannot be done, the auditor is likely in error. Contact your agent.
Payroll Data Doesn't Match	Compare your own payroll worksheet to the audit worksheet line by line. If the payroll data you provided does not match what appears on the audit, there is likely a calculation error that needs to be corrected.

Action Taken: _____ Date: _____ Agent Notified: ☐ Yes ☐ No

Form 8: Conditional Offer of Employment

This form must be completed AFTER a hiring decision has been made, before a pre-employment physical or medical questionnaire is administered. Consult your employment law attorney regarding ADA compliance requirements in your state.

CONDITIONAL OFFER OF EMPLOYMENT

APPLICANT: _____

POSITION OFFERED: _____

DATE OF CONDITIONAL OFFER: _____

TENTATIVE EFFECTIVE DATE OF EMPLOYMENT: _____

We are pleased to conditionally offer you the position noted above based upon your ability to physically and mentally perform substantially all of the essential job duties of the position.

We will reasonably accommodate any physical or mental disability you may have. Our conditional offer may be withdrawn prior to the effective date of your employment if, in medical opinion, you will be unable to safely perform the job duties with reasonable accommodations.

I. DESCRIPTION OF ESSENTIAL JOB DUTIES:

_____

_____

_____

II. APPLICANT INFORMATION

CAUTION

- FAILURE TO ACCURATELY COMPLETE THIS FORM MAY AFFECT YOUR WORKERS' COMPENSATION BENEFITS.

A. Do you know of any condition (physical or mental) that you have which could affect or interfere with your ability to safely perform the essential job functions? ☐ YES ☐ NO

B. If 'YES,' describe all accommodations necessary for you to safely perform the essential job functions:

Job Function: _____ Accommodation: _____

C. Describe all job functions which you feel you may be unable to safely perform, including all functions that may affect your safety or the safety of others, and other functions which may aggravate or worsen a past or present condition:

_____

_____

D. If no accommodations are made, I may be unable to perform the following functions safely:

_____

_____

E. Even if the accommodations noted above are made, I may be unable to safely perform:

_____

_____

F. Describe any condition or concern not otherwise noted above, regarding your physical and mental ability to meet the essential job functions of the position:

_____

_____

By signing below I acknowledge that I have read, understand and agree to the above, and have accurately completed this form to the best of my ability.

Applicant Signature: _____ Date: _____

Form 9: Pre-Employment Medical History Questionnaire

IMPORTANT: This form must be administered ONLY after a conditional offer of employment has been extended. All responses are kept in a separate confidential medical file apart from the personnel file. Consult your employment law attorney before use — requirements vary by state.

MEDICAL HISTORY QUESTIONNAIRE — CONFIDENTIAL

I herewith affirm that the employer has made an offer of employment to me, conditioned on the satisfactory completion of this questionnaire and, if necessary, at the sole discretion of the employer, a medical examination.

The purpose of this inquiry is to determine whether I currently have the physical or mental qualifications necessary to perform the job that has been offered; whether and what accommodations may be necessary; and whether I can perform the job without posing a direct threat to the health or safety of myself or others.

This information will be kept confidential in a separate medical file, apart from my personnel file. I herewith affirm that the questions found in the attached medical questionnaire have not been asked of me by anyone with the employer until after I have signed this statement and have been offered a job.

Name: _____

Signature: _____

Witness: _____ Witness: _____

Date: _____

Part A: Medical Condition History

Have you ever had or been treated for any of the following conditions or diseases? (Yes / No)

Condition	Yes	No
Epilepsy	☐	☐
Diabetes	☐	☐
Cardiac disease (heart trouble)	☐	☐
Amputation of foot, leg, arm or hand	☐	☐
Total loss of sight of one or both eyes or partial loss of corrected vision of more than 75% bilaterally	☐	☐
Residual disability from poliomyelitis (polio)	☐	☐
Cerebral palsy	☐	☐
Multiple sclerosis	☐	☐
Parkinson's disease	☐	☐
Hemophilia	☐	☐
Chronic osteomyelitis (bone infection)	☐	☐
Hyperinsulinism (low blood sugar)	☐	☐
Muscular dystrophy	☐	☐

Condition	Yes	No
Thrombophlebitis (inflammation of a vein with a blood clot formed in the vein)	☐	☐
Herniated intervertebral disk (slipped disk)	☐	☐
Surgical removal of an intervertebral disk or spinal fusion	☐	☐
Total deafness	☐	☐
Intellectual disability	☐	☐
Meniscectomy	☐	☐
Patellectomy	☐	☐
Ruptured cruciate ligament	☐	☐
Surgical or spontaneous fusion of a major weight-bearing joint	☐	☐
One or more back injuries or diseased process of the back resulting in disability over a total of 120 or more days	☐	☐
Prior industrial accidents with this company or affiliated company	☐	☐
Any permanent physical condition which constitutes a 20% impairment of a member or of the body as a whole	☐	☐
Rheumatic fever	☐	☐
High blood pressure	☐	☐
Varicose veins or leg ulcer	☐	☐
Chest pain	☐	☐
Tuberculosis	☐	☐
Allergies	☐	☐
Hay fever or asthma	☐	☐
Skin trouble	☐	☐
Reaction to serum or drug	☐	☐
Kidney or bladder trouble	☐	☐
Gout	☐	☐
Head injury	☐	☐
Cancer	☐	☐
Dizziness or fainting spells	☐	☐
Arthritis or rheumatism	☐	☐
Knee injury	☐	☐
Backache	☐	☐
Shoulder injury	☐	☐
Alcoholism	☐	☐
Drug addiction	☐	☐

Condition	Yes	No
Severe headaches	☐	☐
Chronic cough	☐	☐
Shortness of breath	☐	☐
Nervous breakdown	☐	☐
Mental illness, psychiatric treatment or professional counseling	☐	☐

Part B: Additional Medical Questions

Answer each question fully. If the answer is 'none,' please write 'none.'

1. Please list any condition or diseases for which you have been treated in the past 3 years. If no treatment has been provided, state “none.”

_____

2. Have you ever been hospitalized? If so, for what condition? If you have not been hospitalized, state “none.”

_____

3. Has a psychiatrist or psychologist ever treated you? If so, for what condition? If no such treatment has been received, state “none.”

_____

4. Have you ever been treated for any mental condition? If no such treatment has been received, state “none.”

_____

5. Is there any health-related reason you may not be able to perform the job for which you are applying? If yes, please explain.

_____

6. Have you had a major illness in the past 5 years? If none, state “none.”

_____

7. How many days were you absent from work because of illness last year? If none, state “none.”

_____

8. Do you have any physical defects which preclude you from performing certain kinds of work? If yes, describe such defects and specific work limitations. If none, state “none.”

_____

9. Do you have any disabilities or impairments which may affect your performance in the position for which you are applying?

_____

10. Are you taking any prescribed drugs? If yes, state the medication and the reason for taking it. If no medications are being taken, state “none.”

_____

11. Have you ever been treated for drug addiction or alcoholism? If yes, identify the medical care provider and dates of treatment. If no treatment has been provided, state “none.”

_____

12. Have you ever filed for workers' compensation insurance?

_____

Applicant for Employment: _____ Date: _____

Chapter 7: ADA Compliance & the Hiring Process

Understanding when you can — and cannot — ask medical questions is one of the most important compliance issues in the hiring process. The Americans with Disabilities Act (ADA) restricts disability-related inquiries and medical examinations at three distinct stages of employment.

The Three-Stage Framework

Stage	What Is Permitted
Stage 1: Pre-Offer	NO disability-related questions or medical examinations are permitted — even if they are job-related. You may ask about the applicant's ability to perform specific job functions.
Stage 2: Post-Offer / Pre-Employment	After a conditional offer of employment is extended, you MAY ask disability-related questions and conduct medical examinations — regardless of whether they are job-related — as long as you do so for ALL entering employees in the same job category.
Stage 3: During Employment	Disability-related inquiries and medical examinations are permitted ONLY if they are job-related and consistent with business necessity — meaning you have a reasonable belief, based on objective evidence, that the employee cannot perform essential functions or poses a direct threat due to a medical condition.

Key ADA Rules for Employers

- A 'disability-related inquiry' is any question likely to elicit information about a disability — including questions about prescription medications, genetic tests, or prior conditions.
- Questions not likely to elicit disability information are always permitted — such as asking about general well-being, ability to perform job functions, or current illegal drug use.
- A 'medical examination' includes vision tests, blood and urine analyses, blood pressure screening, cholesterol testing, and diagnostic procedures such as X-rays, CT scans, and MRIs.
- Physical agility tests, physical fitness tests, drug tests for current illegal use, and polygraph examinations are NOT considered medical examinations under the ADA.
- Pre-employment medical records must be kept in a separate confidential file — not in the general personnel file.
- If a conditional offer is withdrawn based on medical results, be prepared to demonstrate that no reasonable accommodation would allow the applicant to safely perform essential job functions.

EEOC Guidance: When Can You Ask Medical Questions During Employment?

An employer may ask disability-related questions or require a medical examination during employment when:

- There is a reasonable belief the employee cannot perform essential job functions due to a medical condition, OR
- The employee poses a direct threat due to a medical condition, OR
- The employee has requested reasonable accommodation and the disability is not obvious, OR
- Required by another federal law or regulation (e.g., DOT medical certification for truck drivers), OR
- As part of a voluntary wellness program.

Source: EEOC Enforcement Guidance on Disability-Related Inquiries and Medical Examinations (ADA)

The Hiring Process Flowchart

The following sequence describes the legally compliant hiring process from initial application through employment. Always consult your employment law attorney to confirm compliance with state and local laws.

PRE-OFFER WINDOW

- Step 1: Applicant submits application and is reviewed for qualifications.
- Step 2: If not appropriate: record the reason for rejection and file. Applicant leaves the process.
- Step 3: If appropriate: conduct interviews and background checks.
- Step 4: If not appropriate after interview/background check: record the reason and reject. Applicant leaves.
- Step 5: If appropriate: extend a Conditional Offer of Employment (Form 8 in this manual). Do NOT ask medical questions before this step.

POST-OFFER WINDOW

- Step 6: After the Conditional Offer is signed: administer the Medical History Questionnaire (Form 9) and/or require a pre-employment physical, consistently for all candidates in the same job category.
- Step 7: If medical opinion determines the applicant cannot safely perform essential job duties even with reasonable accommodations: withdraw the conditional offer. Record the reason.
- Step 8: If applicant passes medical review: proceed to employment.

EMPLOYMENT

- Step 9: Applicant is hired. Conduct employee orientation including introduction to safety culture, injury reporting procedures, Recover at Work program, and drug/alcohol policy. Medical records are filed in a separate confidential file.

IMPORTANT

- Always consult your employment law attorney before implementing a hiring process that includes medical questionnaires or pre-employment physicals.

A Note from Your Agent

Workers' compensation doesn't have to be a mystery or an uncontrolled cost center. With the right systems in place, you can dramatically reduce the frequency and severity of claims, keep good employees working, and protect your experience modification from unnecessary damage.

This manual is a starting point. Every business is different, and I am happy to review your specific situation, your current MOD, and your loss history to help identify where the greatest opportunities for improvement exist.

Please don't hesitate to call me directly with any questions — before, during, or after a claim.

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