

# The Cold Truth About Hidden Costs

Worker's Comp is Just the Tip of the Iceberg



The true cost to the nation, employers, and individuals of work-related injuries is much greater than the cost of workers' compensation insurance alone. The information presented below shows National Safety Council estimates of the total economic costs of occupational injuries.

ABOVE THE SURFACE ↑

BELOW THE SURFACE ↓

COMPENSATION INSURANCE

ADMINISTRATIVE EXPENSES  
**\$34.2 BILLION**

MEDICAL COSTS  
**\$52.3 BILLION**

WAGE AND PRODUCTIVITY LOSSES  
**\$86.7 BILLION**

EMPLOYERS' UNINSURED COSTS  
**\$10.5 BILLION**

OTHER IMPACTS TO THE ORGANIZATION  
**COST UNKNOWN**

NUMBER OF WORKERS HURT ON THE JOB  
**5,000,000\***

*\*total as of 2011*

## ADMINISTRATIVE EXPENSES - \$34.2 BILLION

Administrative expenses include the administrative cost of public and private insurance, and police and legal costs. Private insurance administrative costs are the difference between premiums paid to insurance companies and claims paid out by them. It is their cost of doing business and is part of the cost total. Claims paid out by insurance companies are not identified separately, as every claim is compensation for losses such as wages, medical expenses, property damage, etc.

## MEDICAL COSTS - \$52.3 BILLION

Medical expenses include doctor fees, hospital charges, the cost of medicines, future medical costs, and ambulance, helicopter, and other emergency medical services.

## WAGE AND PRODUCTIVITY LOSSES - \$86.7 BILLION

Wage and productivity losses include the total of wages and fringe benefits together with an estimate of the replacement-cost value of household services. Also includes travel delay for motor-vehicle crashes.

## EMPLOYERS' UNINSURED COSTS - \$10.5 BILLION

Employers' uninsured costs are an estimate of the uninsured costs incurred by employers and represents the money value of time lost by uninjured workers. It includes time spent investigating and reporting injuries, giving first aid, production slowdowns, training of replacement workers, and extra cost of overtime for uninjured workers. Also includes damage to motor vehicles in work-related injuries of \$2.4 billion and fire losses of \$2.8 billion.

## OTHER IMPACTS TO THE ORGANIZATION - COST UNKNOWN

This category represents softs costs to the organization that are traditionally overlooked including items such as company reputation and competitiveness, employee morale, loss of efficiency and the reduced quality of the work product.



Visit [nsc.org](http://nsc.org) for more information on injury facts.