

# Union Construction Workers' Compensation Program



By Chuck Koch and Joyce Leipold, Loss Control Consultants

Western National is a major carrier for Workers' Compensation in Minnesota, Wisconsin and South Dakota. Controlling claims and claim costs are crucial to maintaining profitable rates. The program explained below is an example of Western's proactive approach to maintaining affordable Workers' Compensation rates for business policyholders.

Western National is pleased to announce our affiliation with the Union Construction Workers' Program. We anticipate that this program will be of benefit to our insureds who qualify for participation. Only employers with employees of participating unions (which we will identify for you) are eligible to join.

## What is the Union Construction Work Comp Program?

In 1995 the Minnesota Legislature passed a bill that allowed both employers and unions to mutually form alternative workers' compensation delivery systems. What evolved is an Alternative Dispute Resolution (ADR) Program that is overseen by a joint labor-management board of directors.

The ADR system is a three-step process. The first step is Facilitation. The appointed facilitator meets directly with the employee to hear their problem and attempt to resolve it with all affected parties. If they are unable to resolve the issue, the facilitator will issue a binding decision. To date, about 85% of issues are resolved at this level.

If either party is unhappy with this decision, they can request Mediation. The Mediator, who is an experienced workers' compensation litigation attorney, will attempt to mediate the issue. Attorneys are allowed to be present at the mediation. Approximately 12% of cases are resolved here.

If resolution cannot be reached by mediation, either party may apply for arbitration. Arbitration is similar to an administrative hearing. The arbitrator hears the facts and issues a binding decision, subject only to an appeal to the Minnesota Workers' Compensation Court of Appeals.

Most cases are resolved in 90 to 120 days versus 1 1/2 to 2 years under the normal litigation system.

There is a list of neutral physicians and qualified rehabilitation specialists (QRC) whom the Facilitator, Mediator or Arbitrator can utilize should the need arise.

The insurance carrier pays the fees for the Facilitators, Mediators, and Arbitrators, as well as all fees for neutral physicians and QRC's.

### **What is the cost of this program?**

There is a subscription fee (fifteen cents per \$100 of payroll subject to a minimum and a maximum) that is paid by the employer who wishes to become a member. Western National will reimburse the employer a portion of these fees to encourage participation.

### **What are the benefits of this program?**

If future results of this program are similar to past results, we believe the benefits to our clients are:

- A reduced litigation timeframe means lower claim costs through reduced attorney fees.
- Improved employee relations - - this program has the full support of the unions that are participating.
- Lower experience modifications and better loss experience, resulting in lower premiums.

### **How does a policyholder enroll in this program?**

We encourage our agency partners to learn more about this program and, when appropriate, to discuss this with your customers. Our Loss Control Consultants will be happy to assist you in making the introduction. We will also proactively begin explaining the benefits of this program with your insureds when we make our loss control visits.

For more information on this program, contact either Chuck, ext. 202 or Joyce, ext. 181 or visit the Union Construction Workers' Compensation Program web site at [www.ucwcp.com](http://www.ucwcp.com) .