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National News

Workers' Compensation Industry Worried About Obesity Claims

By Patricia-Anne Tom
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It's time to face facts: the U.S. is a nation of obese workers. About a quarter of the nation is obese, according to the Centers for Disease Control and Prevention (CDC). While this presents serious health implications for those who are overweight, it also presents serious implications for the workers' compensation insurance industry.

The percentage of the population considered obese increased from 12 percent in 1990 to more than 26 percent in 2007. By the year 2020, 40 percent of men and 43 percent of women are predicted to be obese, with more than 70 percent of both men and women predicted to be overweight. And the numbers are growing.

Obesity can lead to lower self-esteem, depression and discomfort in social situations. Obesity also increases a person's risk for diabetes, heart disease, hypertension, metabolic syndrome, and polycystic ovary syndrome.

Workers' Compensation Concern

Workers' compensation carriers are concerned about this trend because obese workers are at risk for various diseases and health conditions and have poorer job performance.

Claims involving obesity are seen to have "markedly higher" indemnity and medical costs, according to the insurer's organization, the National Council on Compensation Insurance (NCCI). According to NCCI, recent studies have documented that obesity can impact mortality rates, reduce productivity and increase the rate of impaired activity associated with type 2 diabetes, high cholesterol and hypertension.

"The presence of all three comorbidities among overweight or obese persons was associated with more days of hospitalization, more visits to the emergency room and medical providers, and a generally poorer quality of life," the NCCI stated in a recent report.

A [2007 study](#) by Duke University Medical Center observed "dramatic" workers' compensation-related differences between people with normal weight or body mass index (BMI)-- a calculation that assesses weight relative to height-- and those in the obesity BMI range:

- **Claims:** Morbidly obese workers filed 45 percent more claims than non-obese workers.
- **Lost Workdays:** Morbidly obese workers had eight times the number of lost workdays versus workers with BMIs in the normal range.
- **Medical Claim Costs:** Morbidly obese workers had 5.4 times the medical costs versus workers with

normal BMIs.

- **Indemnity Claim Costs:** Morbidly obese workers had nearly eight times more indemnity claims costs than normal sized workers.

Another [study](#), by Johns Hopkins Bloomberg School of Public Health researchers, found that the odds of injury for workers who were in the highest obesity category were significantly higher when compared to those with a normal BMI.

The NCCI is currently conducting its own study, which is expected to be available in early 2010, but preliminary results indicate:

- Obese claims are roughly three times more expensive at the 12-months and five times more expensive at the 60-month maturity.
- Added treatments related to obesity can balloon cost differences by as much as 30 times.

"Unfortunately, the continued increase in obesity rates in the face of substantial mitigation efforts by both government and business suggests that the issues relating to obesity will continue to be a major issue well into the future," NCCI said.

This article is based on the NCCI report "Gauging Current Conditions: The Economic Outlook and Its Impact on Workers' Compensation." For information, visit www.ncci.com.

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