

Understanding the Workers' Compensation Claims Process

Many business owners carry workers' compensation insurance because it's required, yet don't fully understand the system beyond paying premiums and hoping no injuries occur. While proactive safety measures help protect employees, knowing what to do when an injury happens can streamline the claims process and reduce costs.

According to the [Bureau of Labor Statistics](#) most recent Survey of Occupational Injuries and Illnesses, 54,800 nonfatal workplace injuries and illnesses were reported in the private sector in Colorado, or roughly 2.8 cases per 100 full-time employees. This doesn't even include public-sector injuries, which are less consistently reported.

Work-related injuries affect both sides:

- Employees face lost wages, fear of reinjury, and limits on job performance.
- Employers face absenteeism, productivity dips, higher claim costs, and turnover.

Studies show that the longer an employee is out of work, the less likely they are to return—which compounds those challenges. First-year employees are especially vulnerable, accounting for 35% of workplace injuries, with nearly a quarter missing more than 31 days of work (over 6 million lost workdays nationally, according to Travelers).

What to Do When a Workplace Injury Happens

When an employee is injured on the job, follow the claims timeline set by the Colorado Department of Labor and Employment (CDLE). Missing deadlines can result in penalties and additional employer liability.

Immediate Steps

- For serious injuries, dial 911 or get the worker to the nearest emergency facility
- Provide a Designated Provider Notification (list of approved doctors)
- Begin your accident investigation and documentation (important for Cost Containment credit)
- Report the injury to your insurance carrier within 10 days (24 hours if a fatality or 3+ employees are injured)
- The injured worker must report their injury to you in writing within 10 days

Timeline of an Injured Worker's Claim

Here's how the process typically unfolds in Colorado:

Day 0 – Date of Injury

- Worker is injured and seeks care from a Designated Medical Provider (DMP).
- Employer and worker both file initial injury notices.

Days 1–3 – Waiting Period

- There is a 3-day waiting period before wage benefits (indemnity) kick in.
- During this time, lost wages are typically covered by the employer's PTO, sick leave, or unpaid time—depending on company policy.

Day 4 – Wage Replacement Begins (if still unable to work)

- If the worker is out beyond 3 days, Temporary Total Disability (TTD) benefits begin.
- TTD = 2/3 of the employee's average weekly wage (up to statutory limits).
- If the injury resulted from a documented safety violation (e.g., not wearing required PPE), the benefit can be reduced to 1/3 of wages.

Light Duty / Modified Work

- If the employer can accommodate restrictions, the worker may return on modified duty.
- In that case, the worker may receive Temporary Partial Disability (TPD) benefits to make up part of the wage gap.

20 Days – Insurer Response Deadline

- The insurance carrier has 20 days to either accept liability (General Admission) or contest the claim (Notice of Contest).

Maximum Medical Improvement (MMI)

- When the doctor determines the worker has recovered as much as possible, MMI is declared.
- At this point, the insurer may issue a Final Admission of Liability (FA).
- The worker has 30 days to dispute the FA if they disagree with the outcome.

What Benefits Are Provided?

Medical Benefits

- Covers doctor visits, surgery, therapy, prescriptions, and necessary equipment.

Wage Replacement (Indemnity Benefits)

- Temporary Total Disability (TTD): 2/3 of average weekly wage (cut to 1/3 for safety violations).
- Temporary Partial Disability (TPD): Covers the difference between pre-injury wage and light-duty wage.

Permanent Disability Benefits

- Permanent Partial Disability (PPD): Paid for partial impairments.
- Permanent Total Disability (PTD): Ongoing wage replacement if unable to work at all.

Other Benefits

- Disfigurement Benefits: For permanent, visible scarring.
- Vocational Rehabilitation: Retraining for new roles.
- Death Benefits: Financial support and funeral costs for dependents.

Why the Timeline Matters

Understanding these timeframes can help employers plan ahead:

- Covering the first 3 days of wages fairly avoids surprises for workers.
- Offering light duty reduces overall claim costs and helps employees reintegrate.
- Knowing the 20-day insurer response rule and 30-day dispute window keeps claims on track.

Final Thoughts

Colorado's workers' compensation system is no-fault: benefits are provided even if the worker contributed to the accident (unless there was willful misconduct, such as intoxication). Employers who know the rules can:

- Support their workers in recovery,
- Reduce claims costs, and
- Keep premiums manageable.

If you'd like in-depth training on safety programs, claims handling, or return-to-work best practices, Ascent Insurance Solutions is here to help.

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