Five Advantages Of Contracting Out Disability Claims Management



Illness related absences can significantly impact an organization's productivity and be quite costly as a result. In 2011, Canadians took an average of 9.3 sick days, costing the economy approximately $16.6 billion[1]. Accordingly, it is important that short and long term disability claims be managed effectively, with the express goal of safely returning the employee to work, in a timely manner.

There are a number of advantages for an organization to contract out the disability claims management process to a third party, including:

1. Time

Managing the disability and return to work process can be a full-time job. Utilizing a third party to manage the disability claims process will allow the organization's human resources department to focus their time on proactive and strategic HR processes, which add value to the organization.

2. Expertise

Third party claims managers have internal subject matter experts who are knowledgeable about both physical and psychological diagnoses. These individuals are trained in appropriate treatments, time required for rehabilitation and can manage the entire process through to return to work.

Additionally, third party claims managers have access to benchmark data from other organizations and industries, allowing them to make relevant determinations.

3. Consistency

It is important that employees be treated fairly and consistently. Third party claims managers are able to ensure equitable treatment. Furthermore, both claimants and the organization have one point of contact, in order to ensure that the process remains on track.

4. Impartiality

It is important that claims managers remain neutral and impartial. Having a third party manage the claims process will ensure that decisions are made objectively.

5. Cost Control

Third party claims managers are able to offer flexible, short/long-term plan designs, customized to the needs of the organization. This will ensure that costs are contained and allocated appropriately.

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