



FREE BENCHMARK REPORT

THE 2026 EMPLOYER COST BENCHMARK REPORT

What workforce health and workplace injuries really cost in 2026, the per-sector benchmarks behind your renewal, and the moves leading employers are using to bend the curve before rates reset.

\$18,500+

PROJECTED 2026
HEALTH COST /
EMPLOYEE

\$58.8B

ANNUAL U.S.
SERIOUS INJURY
COST

\$47,316

AVG. WORKERS'
COMP CLAIM

3-5X

INDIRECT TO
DIRECT COST
RATIO

Prepared for employer benefits, HR & risk leaders.

Workforce health & workers' compensation cost intelligence · Edition 2026.1

2026 EDITION

THE COST OF DOING NOTHING KEEPS CLIMBING

Two cost curves define 2026 for employers: the price of covering health benefits, and the price of every workplace injury that runs through the system. Both are rising, and the traditional playbook of shifting cost to employees has reached its ceiling.

6.5%

Projected rise in total health benefit cost per employee in 2026, the steepest increase since 2010, even after planned cost-cutting.

Mercer, 2025 National Survey of Employer-Sponsored Health Plans

\$18,500+

Expected average total health benefit cost per employee in 2026, up from roughly \$17,000 a year earlier.

Mercer, Nov 2025

9.5%

Aon's matching projection, a third straight year of near double-digit medical-cost trend.

Aon, Sep 2025

Independent forecasts cluster in the same range: **Willis Towers Watson** projects a 9.2% jump, the fastest pace since at least 2011, and **PwC** pegs the 2026 medical-cost trend at 8.5%. The shared drivers are structural rather than one-off: rising chronic and high-cost conditions (musculoskeletal, cardiovascular, cancer), surging demand for GLP-1 therapies, and higher overall utilization. These pressures do not respond to cost-sharing the way deductibles do.

THE INJURY SIDE OF THE LEDGER

Serious workplace injuries cost U.S. employers **\$58.78 billion a year**, and just ten injury causes account for **\$50.87 billion, which is 86.6% of the total**. Employers pay more than **\$1 billion every week** in direct workers' compensation costs for disabling, non-fatal injuries.

Liberty Mutual 2025 Workplace Safety Index; OSHA

WHAT'S IMPROVING, AND WHAT ISN'T

There is genuine good news in the frequency data. U.S. private-industry employers reported **2.5 million nonfatal injuries and illnesses in 2024**, down 3.1% from 2023 and the lowest total since the series began in 2003. But severity is moving the other way. The NCCI estimates **medical lost-time claim severity rose about 6% and indemnity severity about 5%** in the most recent accident year, driven by wage growth and utilization. Fewer injuries, each one more expensive. That is why where and how an injury gets treated now matters more than the count itself.

AVERAGE INJURY COSTS BY SECTOR

Risk is not distributed evenly. Injury frequency, claim severity, and the mix of injury types vary sharply by industry, and that mix is what your carrier prices at renewal. Use these benchmarks to see where your organization sits against the field.

RECORDABLE INJURY RATE BY SECTOR

INDUSTRY SECTOR	CASES PER 100 FTE	RELATIVE RISK
Transportation & warehousing	4.5	Highest of the major sectors; couriers and messengers reach 9.2
Agriculture, forestry & fishing	4.2	One of two sectors that rose year over year
Health care & social assistance	3.6	High overexertion & patient-handling exposure
Retail trade	3.1	Food & beverage stores rising 6.5%
Manufacturing	2.8	Wide internal range; wood products reach 9.5
Construction	2.3	Lower frequency, very high severity per claim

Total recordable cases per 100 full-time-equivalent workers, private industry, 2023. Source: U.S. Bureau of Labor Statistics, Survey of Occupational Injuries & Illnesses.

AVERAGE WORKERS' COMP CLAIM COST BY CAUSE OF INJURY

CAUSE OF INJURY	AVG. COST PER CLAIM	NOTES
Motor-vehicle crashes	\$91,433	Most expensive cause; acute, often catastrophic
Burns	\$64,973	High acute-care and rehab cost
Falls or slips	\$54,499	#2 cause of total injury spend nationally
Caught in / compressed by	\$47,749	Common in manufacturing & logistics
All causes combined	\$47,316	Blended average across every claim type

NCCI claim data for accidents occurring 2022–2023, via National Safety Council Injury Facts (valued Oct 2025). Medical lost-time claim severity alone averaged ~\$30,600 in the latest accident year.

WHERE THE DOLLARS ACTUALLY CONCENTRATE

Nationally, the two leading causes have topped the list for 25 consecutive years: **overexertion involving outside sources (\$13.7B)** and **falls on the same level (\$10.5B)**. Injuries to the back, shoulder, knee, or multiple body parts make up 56% of cost, nearly **\$32.6 billion**. These are precisely the soft-tissue and musculoskeletal cases where early, on-site clinical triage changes the outcome.

SECTOR SPOTLIGHTS

MANUFACTURING

2.8 / 100

Frequency below the private-industry midpoint, but enormous internal spread (2.0 in electronics to 9.5 in wood products). Caught-in and overexertion events drive severity. A single \$1M+ claim, though under 0.5% of claims, can swing a plant's loss experience for years.

LOGISTICS & WAREHOUSING

4.5 / 100

The highest-frequency major sector. Couriers and messengers run 9.2 per 100. Overexertion, struck-by, and roadway incidents dominate, and roadway claims carry the single highest average cost at \$91,433.

MARITIME & LONGSHORE

USL&H

Dockside, vessel, and terminal work falls under federal Longshore & Harbor Workers' Compensation, with higher statutory benefit levels than most state systems. Heavy-lift and struck-by exposures push severity well above land-based equivalents.

CONSTRUCTION

2.3 / 100

Lower recordable frequency, but the leading source of fatalities and of fast-emerging \$1M+ claims usually falls from elevation and roadway events. Severity, not frequency, is the cost story here.

03 / THE TRUE COST OF AN INJURY

THE NUMBER ON THE INVOICE IS THE TIP OF THE ICEBERG

Every claim carries a visible direct cost and a much larger hidden cost. OSHA's long-standing iceberg model holds that for every dollar of direct injury cost, employers absorb three to five dollars in indirect cost that never appears on a medical bill.



WHERE CARE BEGINS SETS THE ENTIRE COST CURVE

When an injured worker defaults to the emergency room, the meter starts high. A condition an urgent or on-site clinic resolves for **\$150–\$250** commonly runs **\$1,500–\$3,000** in the ER for the same service; the average emergency visit in Florida runs about **\$3,102**. Worse, ER-first pathways generate over-treatment, unnecessary referrals, longer time away, and delayed return-to-work, and every one of those is its own cost driver.



THE BREAK-EVEN MATH LEADERSHIP UNDERSTANDS

At a 5% profit margin, a single \$55,000 back-injury claim (with a conservative 3x indirect multiplier) requires roughly **\$3.85 million in new revenue** just to break even. Prevention and early intervention protect the bottom line as much as they protect the worker.

WHAT COMPARABLE EMPLOYERS ACTUALLY SAVE

A CFO-ready way to size the opportunity: take your injury volume, apply the gap between an ER-first pathway and a managed on-site pathway, then layer in the indirect-cost multiplier and avoided premium. The illustration below models a representative 1,000-employee manufacturer.

MODELED LINE ITEM	BASIS	ANNUAL IMPACT
Recordable injuries / year	2.8 per 100 FTE × 1,000	~28 injuries
Direct cost avoided per injury	\$2,800 ER-first – \$482 managed	\$2,318
Direct savings (pathway redirection)	28 × \$2,318	-\$64,900
Indirect cost avoided	3× on redirected direct cost (conservative)	-\$194,700
Experience-mod premium avoided	Fewer/smaller claims on a \$200K base	\$30K–\$60K
Modeled total annual opportunity	Direct + indirect + premium	\$290K–\$320K

Illustrative model for a 1,000-employee manufacturer using the benchmarks in this report and HealthcareLive book-of-business averages. Figures are directional estimates, not a guarantee of results; actual outcomes depend on injury mix, payroll, jurisdiction, and program design.

WHY THE MODEL HOLDS UP IN PRACTICE

The savings are not theoretical. A landmark OSHA analysis found that comprehensive safety and early-care programs cut workers' comp claims by **52%**, claim costs by **80%**, and lost-time by **87%**. The mechanism is consistent: catch the injury early, treat it in the right setting, and manage return-to-work before it turns into a litigated, lost-time, mod-inflating claim.

HEALTHCARELIVE NETWORK RESULTS

98.5%

client retention

- **500+** employer partners across high-hazard industries
- **4.5M** lives supported through integrated specialty care
- **86.6** Net Promoter Score, rare in occupational health
- **96%** of injured workers would recommend their care

THE COST GAP, RESTATED

\$2,318

avoided per redirected injury

- **\$482** managed vs. **~\$2,800** ER-first
- **\$750** average all-in managed claim
- Earlier care shortens time-away and protects return-to-work
- Fewer lost-time claims directly improves your mod

YOUR MOD RATE IS THE MULTIPLIER ON EVERY RENEWAL

The experience modification rate (EMR, or “mod”) compares your claims history to peers of similar size and industry, then multiplies your premium. It is the single number that turns yesterday’s injuries into tomorrow’s fixed cost, and it is set well before your 2026 renewal conversation.

0.75

A mod 25% better than average, a direct **25% premium credit**.

1.00

“Unity.” Exactly average claims experience for your class and size.

1.25

A mod 25% worse than average, a **25% premium penalty**. The swing from 0.75 to 1.25 is 50% of premium, every year.

THE THREE-YEAR TAIL NOBODY BUDGETS FOR

Carriers build your mod from three years of claims history (excluding the most recent year), and the mod weighs claim *frequency* more heavily than a single severe loss. The practical effect: one serious injury can elevate your mod **for roughly three years**. On a \$100,000 premium, a single significant claim can add **\$15,000–\$40,000** across the following policy years. For a manufacturer with a \$200,000 base whose mod climbs from 1.0 to 1.3, that’s an extra **\$60,000 a year, or about \$180,000 over three years**.

WHY 2026 IS DIFFERENT

The workers’ comp market is still soft. The 2024 industry combined ratio was a healthy 86.1% and loss-cost filings are trending down in many states. That makes 2026 the year to lock in a **low mod** while base rates are favorable. Employers who let claims drift will watch a falling-rate environment quietly raise *their* cost as the mod offsets every rate cut.

WHAT LEADING EMPLOYERS DO TO PUSH THE MOD BELOW 1.0

1

Redirect first care away from the ER.

On-site and integrated specialty care cut the per-injury cost and the over-treatment that inflates claims.

2

Attack frequency, not just severity.

Because the mod weights frequency, eliminating small repetitive claims moves the number fastest.

3

Run a real return-to-work program.

Light-duty and coordinated care convert lost-time claims into medical-only claims, which barely touch the mod.

4

Manage the claim, not just the injury.

Early intervention and active claims oversight prevent the slow-emerging cases that become \$1M+ losses.

06 / YOUR 2026 RENEWAL CHECKLIST

FIVE MOVES BEFORE YOUR RATES RESET

✓

Pull your current mod and your loss runs.

Know your number and which claims are driving it before the carrier does.

✓

Benchmark your injury rate against your sector.

Use the per-100-FTE figures in Section 2 to see if you're above or below the field.

✓

Map your injuries to a care pathway.

Identify how many ER-first injuries could be redirected to on-site or integrated specialty care.

✓

Model the dollars.

Apply the Section 4 framework to your headcount and payroll for a board-ready savings figure.

✓

Act before the three-year window closes.

Today's claims set your 2027–2028 mod. The cheapest claim is the one that never reaches the ER.

SEE WHAT HEALTHCARELIVE WOULD SAVE YOUR ORGANIZATION

Get a tailored analysis built on your industry, headcount, and claims history, using the same model behind the figures in this report, run against your own numbers. No obligation, no sales pressure.

REQUEST YOUR COST ANALYSIS

healthcarelive.com · Integrated specialty care for workforce health & workers' comp

About these figures. External benchmarks are drawn from the public sources listed below and reflect the most recent data available as of June 2026. Figures labeled "HealthcareLive book of business" are internal network averages and may differ from your results. This report is informational and is not insurance, actuarial, legal, or financial advice; modeled savings are directional estimates, not guarantees.

METHODOLOGY & SOURCES

WHERE THE NUMBERS COME FROM

Mercer. 2025 National Survey of Employer-Sponsored Health Plans / “Employers and workers face an affordability crunch...” (Sep & Nov 2025). 2026 health benefit cost +6.5–6.7%; >\$18,500 per employee; highest increase since 2010.

Aon plc. “U.S. Employer Health Care Costs Expected to Rise 9.5 Percent in 2026” (Sep 10, 2025). Costs exceeding \$17,000 per employee; third consecutive near-double-digit year.

Willis Towers Watson; PwC. 2026 projections of 9.2% and 8.5% medical-cost trend, respectively (2025).

Liberty Mutual. 2025 Workplace Safety Index (Jul 15, 2025). \$58.78B total serious-injury cost; \$50.87B / 86.6% from the top ten causes; overexertion \$13.7B; falls on same level \$10.5B; back/shoulder/knee/multiple = \$32.6B.

OSHA. Business Case for Safety & Health; “\$afety Pays” iceberg model (indirect costs 3 to 5× direct); >\$1B/week in direct WC costs (citing Liberty Mutual).

NCCI. 2025 State of the Line & 2026 Annual Insights Symposium materials. AY medical lost-time severity ~+6% (avg ~\$30,600); indemnity severity ~+5%; lost-time frequency –6%; CY2024 combined ratio 86.1%.

National Safety Council, Injury Facts (NCCI data, valued Oct 2025). All-claims average \$47,316 (2022–2023); by cause: motor-vehicle \$91,433, burns \$64,973, falls/slips \$54,499, caught \$47,749.

U.S. Bureau of Labor Statistics. Survey of Occupational Injuries & Illnesses (2023 rates; 2024 totals released Jan 22, 2026). 2.5M private-industry injuries in 2024 (–3.1%, lowest since 2003); per-100-FTE rates by sector.

Experience-modification & ER-cost context. NCCI experience-rating methodology; SFM, CompSource Mutual, and industry analyses on mod multipliers and the ~3-year claims tail; eHealth, Mira, BetterCare, and Debt.org on ER vs. urgent-care pricing (\$1,500–\$3,000 ER vs. \$150–\$250 urgent care; FL avg ~\$3,102).

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