

Work Comp Roundup

Reduce Your Workers Comp Costs

Workers' Comp Should Embrace Wearable Technology with Caution

Michael B. Stack · Tuesday, May 9th, 2017



They come in all types of gadgets. Wristbands. Watches. Eye glasses. They can be woven into your clothes. Or embedded in your jewelry. Or implanted in personal protective equipment.

These 'wearables' are small, electronic wireless devices capable of communicating with other devices and people. They allow for data collection and analysis in real time, and are increasingly being used to prevent injuries, aid recovery and expedite claim processing.

While wearables hold great promise for the workers' compensation industry, they are also largely unproven, unregulated and possibly, unsafe. Employers can reap tremendous benefits from this emerging technology — if they understand the risks and how to mitigate them.

What They Are

Wearables are not new. There was the calculator watch of the 1980s, and before that, the hearing aid was a form of wearable technology. Things changed in the early 2000s

with the introduction of the HugShirt. With its Bluetooth connectivity that allows you to send hugs via smart devices, *Time Magazine* named it one of 2006's Best Inventions of the Year.

Since then, wearables have spread to many other applications. Consumers use wearable wristbands to monitor everything from their caloric intake and steps per day, to their sleeping patterns. The medical profession has embraced the technology to monitor patients by tracking their heart rates, physical activity, and blood glucose levels.

In our industry wearables are used to detect concussions in workers wearing hard hats, and monitor fatigue among employees wearing special wristbands. They are also used post injury to track the injured worker's recovery and improve a catastrophically injured worker's quality of life, such as the Exoskeleton that allows paraplegics to walk.

The data produced by wearables can help better coordinate and manage medical care and, ultimately help the worker and employer. However, much of the data being transferred is private and/or sensitive. Companies need to consider the unintended consequences involved.

The Risks

Individuals and companies can be harmed by the use of wearables in a number of ways.

- **Distractions.** 'Smart' glasses can capture real-time facial images and videos, and search and post data on that person. But workers wearing them can be easily distracted, potentially resulting in accidents when driving or even walking.
- While wearable wristbands are still all the rage, some users have developed allergic contact dermatitis.
- **Corporate security.** Among the biggest concerns about wearables is the potential for a company's proprietary information to get into the wrong hands. The devices can record private conversations, take pictures and share information online. Because they can be connected to smartphones, data can be constantly transferred wirelessly. The wearables can also be plugged into a computer via a USB port and introduce viruses into the

company's system. Also, the device could be used to download sensitive information. Currently, these devices often require no PIN or password, making it easy for someone to access its data.

- The potential unauthorized access to employees' medical and other personal information can be devastating for companies and workers alike.
- **Hacking.** Employees with wearables may unknowingly have their devices hacked or controlled remotely.

Protections

Despite the risks, the use of wearables is expanding and shows no signs of slowing down. But there are strategies you can take to protect your workers and your company from the risks of this newer technology.

- **Vet the vendor.** Before purchasing wearables, look carefully at the companies that supply them. Understand what needs you are trying to address and which devices will be most appropriate. Then look for a vendor that is aligned with your goals.
- **Seek buy-in.** Money spent on wearables will be wasted if your employees don't wear them. Work with your employees as you go through the process of determining which, if any wearables you want. Make sure they understand you won't use sensitive data in any way that could harm them.
- **Establish policies.** If your company has a policy for employee-owned mobile devices, include wearables in it. There should be rules for these bring-your-own-devices, or BYODs. If the policy is not broad enough, change the wording to ensure wearables are included. You should define the acceptable use of wearables and ensure employees understand and pledge to abide by the policy.
- **Monitor your networks.** It's important to continually identify when information is being sent over your company's network and by what device. If an event does happen and you need to take down part of the network to repair it, you should have disaster recovery and business continuity plans in place that allows the company to resume normal functioning.
- **Check your policy limits.** Does your insurance policy cover the risk associated with wearables? You may want to take a closer look and ensure it does.
- **Educate wearers.** You want to make sure your employees use the devices properly and understand the risks involved to themselves and the company, and how to reduce them. Your insurer or TPA may have an expert available to speak with your workforce. If not, check local resources, such as the Chamber of Commerce.
- **Protect sensitive areas.** If certain areas of your company have highly sensitive information, you may want to disable Bluetooth in them to reduce the chance of a data leak.

Conclusion

Wearables are the latest 'disruption' to the workers' compensation industry. They can give you a competitive advantage if used appropriately and with the right precautions in place.



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