



DECREASE YOUR WORKERS' COMPENSATION CO\$TS IN 10 STEPS

Alicia Ray-Moscow
Jennifer Reyment-Meridian
John Whitt-Pocatello



Some of what you are about to see are
reenactments and real life events, which could
be considered graphic

Most Importantly

Before I get started
Let me make one thing perfectly
clear!

A close-up photograph of a young child with blonde hair, crying with their mouth wide open. The child's face is red and tear-streaked. The background is a soft-focus blue.

Workplace accidents
are upsetting.

Why do We Have it ?



How Does it Work?



No-Fault System Compromise

EMPLOYEE

Gives up the right to sue

And

Gains Compensation

EMPLOYER

Accepts liability

And

Gains Financial Protection

Both Employer & Employee Benefit

EMPLOYER

- Assets Protected
- Minimized Time Spent on Claims

EMPLOYEE

- Reduced Hardship due to Lost Wages
- Rehabilitation

Who Pays the Premium?

- The employer bears the full cost of the insurance
- However – Increased premium cost means less or no money in the budget for raises, additional personnel, new equipment, etc
- Decreased costs mean the opposite
- So in effect – we all pay

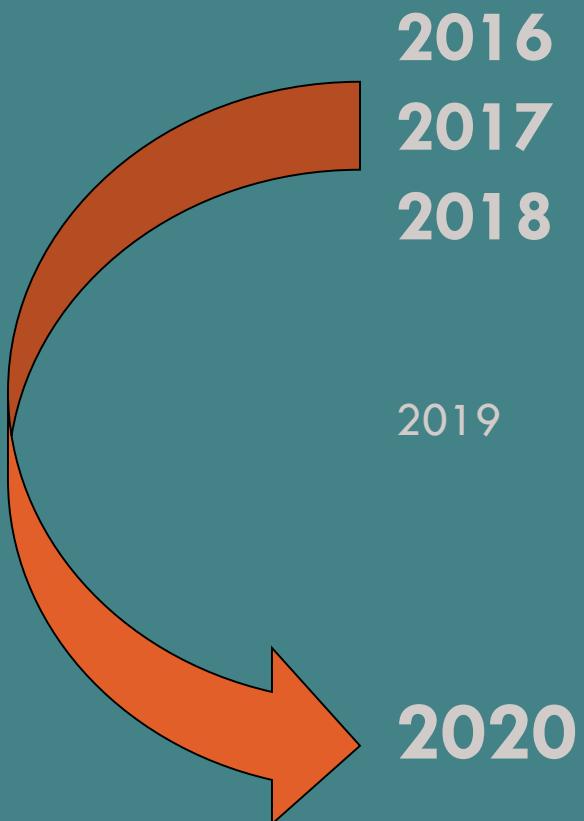
What does it Cost?

- Premium is based on payroll and class code
- Can be modified by Experience Modification Factor
- This factor can change the premium cost considerably - either Plus or Minus

What is an Experience Modification?

- It modifies premium based on past experience
- Expected losses are based off of Class Code and Payroll
- An experience modification is determined by measuring the actual losses against the expected losses of an employer based on the employer's size (payroll) and type of work (class code)

Years Used to Determine Experience Modification Rating



Experience Modification Costs

- An E-Mod of 1.00 is average – losses are what is expected
- E-Mod greater than 1 – losses are higher than expected
- E-Mod less than 1 – losses are less than expected

Total Payroll from Class Codes X E-Mod = Premium

Effect of Experience Modification

<u>Premium</u>	<u>E-Mod</u>	<u>You Pay</u>
10,000	× 1.10	= \$11,000

10,000	× 1.00	= \$10,000
--------	--------	------------

10,000	× 0.90	= \$9,000
--------	--------	-----------

E-Mod and RTW/LD

- Medical-only claims are discounted by 70% in the experience modification calculation.
- Even one day's time loss benefits, results in 100% of medical payments + 100% of the compensation payments to be entered into the calculation fully weighted-No discount
- Any money paid to claimant results in no discount to the calculation

Rating Effective Date: 07/01/2019

Production Date: 02/01/2019

State: IDAHO

State	Wt	Exp Excess Losses	Expected Losses	Exp Prim Losses	Act Exc Losses	Ballast	Act Inc Losses	Act Prim Losses	
ID	.19	122,173	218,165	95,992	168,492	42,000	344,383	175,891	
(A)	(B)	(C) Exp Excess Losses (D - E)	(D) Expected Losses	(E) Exp Prim Losses	(F) Act Exc Losses (H - I)	(G) Ballast	(H) Act Inc Losses	(I) Act Prim Losses	
.19		122,173	218,165	95,992	168,492	42,000	293,115	124,623	
Primary Losses			Stabilizing Value		Ratable Excess		Totals		
Actual		(I) 124,623		C * (1 - A) + G 140,960		(A) * (F) 32,013		(J) 297,596	
Expected		(E) 95,992		C * (1 - A) + G 140,960		(A) * (C) 23,213		(K) 260,165	
Factors		ARAP		FLARAP		SARAP		MAARAP	
		1.05						Exp Mod (J) / (K) 1.14	
RATING REFLECTS A DECREASE OF 70% MEDICAL ONLY PRIMARY AND EXCESS LOSS DOLLARS WHERE ERA IS APPLIED.									

Experience modification 1.14 = +\$19,058.00

07/01/2015

Exp Date: 07/01/2016

Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
201602458	06	F	2,979	2,979
201604899	06	F	5,073	5,073
201510848	06	F	5,930	5,930
NO. 12	06	*	7,516	7,516
201602864	06	F	8,623	8,623
201517297	09	O	58,342	17,000
Total Act Inc Losses:			88,463	

07/01/2016

Exp Date: 07/01/2017

Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
201706344	05	F	3,049	3,049
201611896	05	O	27,909	17,000
201611038	06	F	3,715	3,715
201612339	06	F	5,349	5,349
NO. 9	06	*	5,647	5,647
201612297	06	F	7,354	7,354
201700227	09	F	14,600	14,600
Total Act Inc Losses:			67,623	

07/01/2017

Exp Date: 07/01/2018

Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
201801089	05	O	51,211	17,000
201802857	05	O	58,009	17,000
201803305	05	O	60,021	17,000
201815269	06	O	2,950	2,950
NO. 6	06	*	3,189	3,189
201713208	06	F	3,936	3,936
201807131	06	F	5,261	5,261
201713444	06	F	5,720	5,720
Total Act Inc Losses:			188,297	

07/01/2015 Exp Date: 07/01/2016

Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
201602458	06	F	2,979	2,979
201604899	06	F	5,073	5,073
201510846	06	F	5,930	5,930
NO. 12	06	*	7,516	7,516
201602964	06	F	8,623	8,623
201517297	09	O	58,342	17,000
Total Act Inc Losses:			88,463	

07/01/2016 Exp Date: 07/01/2017

Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
201708344	06	F	2,581	2,581
201611039	06	F	3,715	3,715
201612339	06	F	5,349	5,349
NO. 9	06	*	5,647	5,647
201612297	06	F	7,354	7,354
201611896	06	O	8,081	8,081
201700227	09	F	14,600	14,600
Total Act Inc Losses:			47,327	

07/01/2017 Exp Date: 07/01/2018

Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
201801089	05	O	51,211	17,000
201802857	05	O	58,009	17,000
201803305	05	O	60,021	17,000
201815269	06	O	2,950	2,950
NO. 6	06	*	3,189	3,189
201713208	06	F	3,936	3,936
201807131	06	F	5,261	5,261
201713444	06	F	5,720	5,720
Total Act Inc Losses:			188,297	

Rating Effective Date: 07/01/2019

Production Date: 08/28/2019

State: INTERSTATE

This rating is not quotable.

State	Wt	Exp Excess Losses	Expected Losses	Exp Prim Losses	Act Exc Losses	Ballast	Act Inc Losses	Act Prim Losses
ID	.19	122,173	218,165	95,992	157,583	42,000	324,087	166,504
(A)	(B)	(C) Exp Excess Losses (D - E)	(D) Expected Losses	(E) Exp Prim Losses	(F) Act Exc Losses (H - I)	(G) Ballast	(H) Act Inc Losses	(I) Act Prim Losses
.19					157,583	42,000	265,355	107,772

	Ratable Excess	Totals
	(A) * (F)	(J)
Actual	29,941	278,673
Expected	23,213	260,165
	SARAP	MAARAP
Factors		

Premium savings=

\$9,529.00 1 yr

\$28,587.00 3 yr

savings

RATING DOLLARS WHERE ERA IS APPLIED.

ARY AND EXCESS LOSS

1.07

Medical Only vs. Time Loss

20 Medical only claims of \$1,666 has
the same effect as
1 Time loss claim of \$10,000

What Causes most Claims



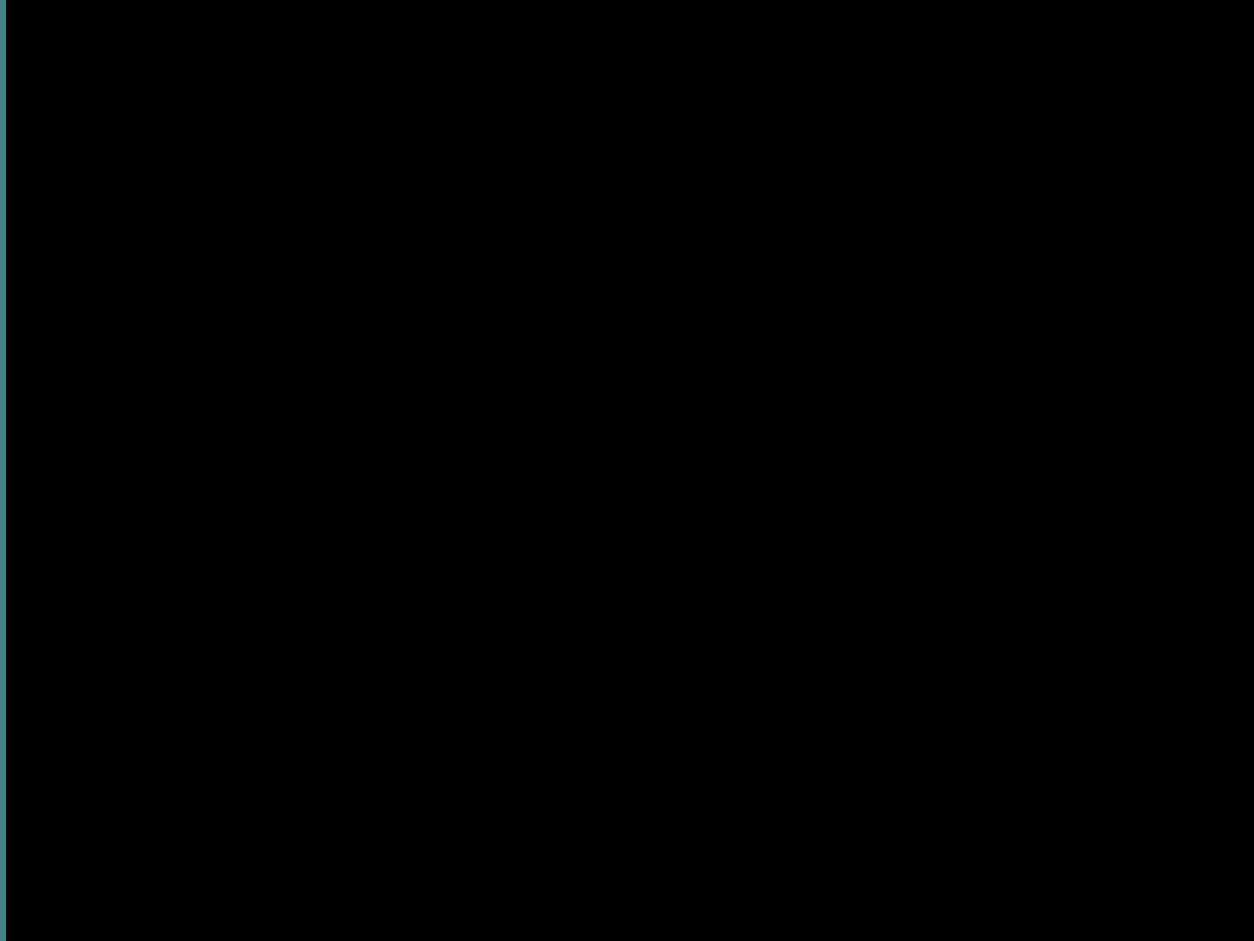
Causes of Accidents

85 % + are the result of unsafe behavior or conditions brought about by unsafe actions

The “fault” lies with the safety system

The basic causes are the result of the management system, rarely with the individual

Prevent Working
Overtime



Basic Principles of Safety

Each accident has contributing factors

- ❖ Unsafe behavior
- ❖ Unsafe condition
- ❖ Or a combination of both
- ❖ 98% of all accidents have causes which are subject to control

Claim Trends 2018

Most Frequent Cause of Loss:

- Overexertion
- Contact with Object
- Slips, Trips, and Falls
- Violence by Another Person/Animal
- Motor Vehicle Accidents

High Cost Cause of Loss:

- Slips, Trips, Falls
- Overexertion
- Contact with Object
- Motor Vehicle Accidents
- Violence by Another Person/Animal

Top Ten Ways to Increase your Costs

10 -NEVER REVIEW, ASSESS, AND COMMUNICATE OUTCOMES:

- DESIST IN PROVIDING regular reports of activities and results to all staffing levels.
- Discourage celebrating successes, acknowledging opportunities for improvement, and encouraging involvement.



Top Ten Ways to Increase your Costs

9- AVOID RECORDKEEPING:

- DON'T MAINTAIN ACCURATE, UP-TO-DATE RECORDS TO meet statutory reporting requirements, measure loss prevention progress and document employee training.



Top Ten Ways to Increase your Costs

8- SAFETY LAST:

- Safety should never be included or addressed in your written and verbal employee evaluations.



Top Ten Ways to Increase your Costs

7- RENOUNCE ANY CLAIMS MANAGEMENT AND EARLY RETURN TO WORK PROGRAMS

- Only return employees to work when they are 100%.
- Avoid using a Preferred Occupational Health Medical Provider.
- Do not develop a plan to monitor claim activity, never communicate with injured employees and the Claims Examiner, and refrain from identifying any modified duty assignments whenever possible.

Top Ten Ways to Increase your Costs

- 6- CEASE ALL SCHEDULED SAFETY MEETINGS OR GROUP SAFETY TRAINING AND DISCOURAGE WORKER PARTICIPATION
- Abstain from involving supervisors and employees in safety planning
 - Never use scheduled meetings as a forum for suggestions and discussions to improve safety and operational procedures.

Top Ten Ways to Increase your Costs

5- AVOID TRAINING SUPERVISORS AND EMPLOYEES IN SAFE WORK PROCEDURES AND JOB HAZARDS

- Ensure staff members **don't understand** how to recognize safe work practices, perform step-by-step job safety analysis, detect hazardous exposures, and operate specialized or sophisticated equipment.



Prevent Forklift

Top Ten Ways to Increase your Costs

4-NEVER REPORT AND INVESTIGATE INCIDENTS

Ensure staff refrain from reporting incidents promptly and discourage supervisors from conducting investigations to identify causes, or recommend and make corrections.



Top Ten Ways to Increase your Costs

3- IGNORE HAZARDS

NEVER IDENTIFY, ELIMINATE, OR CONTROL
HAZARDS

- Do not conduct regular self-inspections to identify, eliminate, or control physical hazards and unsafe work procedures.



**No
Notices
Or
Signs
Allowed**

Top Ten Ways to Increase your Costs

2- No ACCOUNTABILITY OR RESPONSIBILITY

- Do Not ASSIGN KEY EMPLOYEES RESPONSIBILITY AND ACCOUNTABILITY FOR SAFETY
- Never Assign supervisors the responsibility and ACCOUNTABILITY to develop safe work procedures, recognize and correct physical hazards, train employees, and enforce safety rules.

Top Ten Ways to Increase your Costs

1- Prohibit any MANAGEMENT SAFETY POLICY:

Reject any written commitment to safety and safe work practices with accountability for supervisors and employees.



An Effective Safety Program Considers

85 % + are the result of unsafe behavior or conditions brought about by our unsafe behavior

98% of all accidents have causes, which are subject to HUMAN control.

So what are the other 2%?

An Effective Safety Program Considers

- 98% of all accidents have causes, which are subject to control.
- Accident prevention is the responsibility of all employees and IT IS practical to eliminate or minimize hazards.
- Management is responsible for motivating employees in safety.
- Enthusiastic supervision is vital.

The Supervisor

The Supervisor, a vital part of the management team, is not only management's representative, but a key element to the safety program.

Accident prevention is part of everything a supervisor does, same as work schedules, job assignments, or any other job function.

Safety and Supervision

The key to preventing accidents is in the accountability of supervision.

The responsibility of the supervisor is
to....

1. Establish safe work methods that are well understood and consistently followed
2. Many injuries are simply blamed on not following proper work methods or procedures, when further investigation would have revealed that no standard method or procedure had been set up for those jobs.

Training





Give job instruction with necessary emphasis on hazardous aspects of the job:

- ❑ This will help eliminate one of the most frequent causes of accidents-lack of knowledge or skill
- ❑ If employees are expected to do their work without making mistakes, then supervisors must show them how to do the work and make sure they have the skill and knowledge required



Delivery truck gets stuck under Nampa train bridge

The accident happened around 7:45 a.m. under a train trestle on Third Street.

Assigning people to jobs, this is closely related to job instruction:

- ❑ In making a work assignment the supervisor must be sure the person is qualified to do the job and thoroughly understands the work method
- ❑ Even experienced employees need direction

SAC



Supervising people at work is necessary even after correct work methods have been established and employees have been instructed:

- People tend to deviate from established work practices and injuries result
- Usually it is found that employees have been neglecting these practices for some time
- Supervisors must observe and correct



11 1232PM



HEINRICH'S LAW

Safety Triangle

A worker in a white t-shirt and blue jeans stands in a lift platform, working on the top of a tall, cylindrical concrete water tower. The tower has a yellow band near the top with the word "DURANT" printed on it. In the foreground, a white van is parked next to an orange cherry picker truck. The background shows a clear blue sky and some residential buildings.

DURANT

Maintain equipment and facilities in good condition:

- Accidents result from tools and equipment being in poor condition, a disorderly workplace, and makeshift equipment being used because the right equipment was not available



Is Common Sense Common?

*Common sense =
Bad Experience or
Good Training*

KEEP
TEXTING



C U SOON

RT37

STRICK

HEY STUPID
BLINKY FLASHY
THING ON SIDE & BACK
MEANS TURNING OR
CHANGING LANES

CAUTION

WIDE
RIGHT
TURNS

TOR 6240

STRICK
Driving Centers
One of America's Drivers

ROAD
SQUAD



THIS
WORK CENTER
HAS BEEN
ACCIDENT-FREE
SINCE

JOE LEFT

Safety - Quality - Excellence



A reminder on training for you and your employees

Choose them.

Train them.

Observe them.

Correct them.

Ensure they perform the tasks safely!!!



Best Wishes Suzanne
Under Neat that
We will Miss you

Again

85 % + are the result of unsafe behavior or conditions brought about by our unsafe behavior

98% of all accidents have causes, which are subject to HUMAN control



DURANT

What can You do?

Implement a “SAFETY CULTURE”

Be a Positive Example

Expect and encourage everyone that reports to you to participate in the program

Address safety issues immediately

NEVER permit unsafe actions “just this one time”

Walk the Talk



#1-ESTABLISH A MANAGEMENT SAFETY POLICY

Develop, sign, distribute and post your written commitment to safety and safe work practices with accountability for supervisors and employees



#2-ASSIGN KEY EMPLOYEES RESPONSIBILITY AND ACCOUNTABILITY FOR SAFETY

Assign supervisors the responsibility and authority to develop safe work procedures, recognize and correct physical hazards, train employees, and enforce safety rules

Hold Supervisors accountable
for these activities



#3-IDENTIFY, ELIMINATE, OR CONTROL HAZARDS

Conduct regular self-inspections to identify, eliminate, or control physical hazards and unsafe work procedures

Follow-up to ensure corrections are made





#4-REPORT & INVESTIGATE ALL INCIDENTS

Ensure staff report all incidents (“NEAR Miss”, PROPERTY DAMAGE, AND INJURY SITUATIONS) promptly and supervisors conduct thorough and objective investigations to identify causes, recommend or make corrections, and capture accurate information.

Keep records for follow-up and reference.



#5-TRAIN SUPERVISORS & EMPLOYEES IN SAFE PROCEDURES & JOB HAZARDS

Ensure staff members understand how to recognize safe work practices, perform step-by-step job safety analysis, detect hazardous exposures, and operate specialized or sophisticated equipment.





Global
HD

asthma

#6-SCHEDULE SAFETY MEETINGS ENCOURAGE PARTICIPATION

Involve supervisors and employees in safety planning

Use scheduled meetings as a forum for suggestions and discussions to improve safety and operational procedures



#7-ESTABLISH A CLAIMS MANAGEMENT AND EARLY RETURN TO WORK PROGRAM

Select a Preferred Occupational Health Medical Provider.

Develop a plan to monitor claim activity and communicate with injured employees and the Claims Examiner.

Identify appropriate modified duty assignments whenever possible.

#8-MAKE SAFETY A PERFORMANCE ISSUE

Use the safety activities outlined in your safety program to make Safety a specific performance area addressed in your written and verbal employee evaluations



#9-MAINTAIN ACCURATE, UP-TO-DATE RECORDS

Maintain records to meet statutory reporting requirements, measure loss prevention progress, and document employee training

#10-REVIEW, ASSESS, AND COMMUNICATE OUTCOMES

Provide regular reports of activities and results to all staffing levels

Celebrate successes, acknowledge opportunities for improvement, encourage involvement, and determine future steps

So what does a true safety culture look like ???

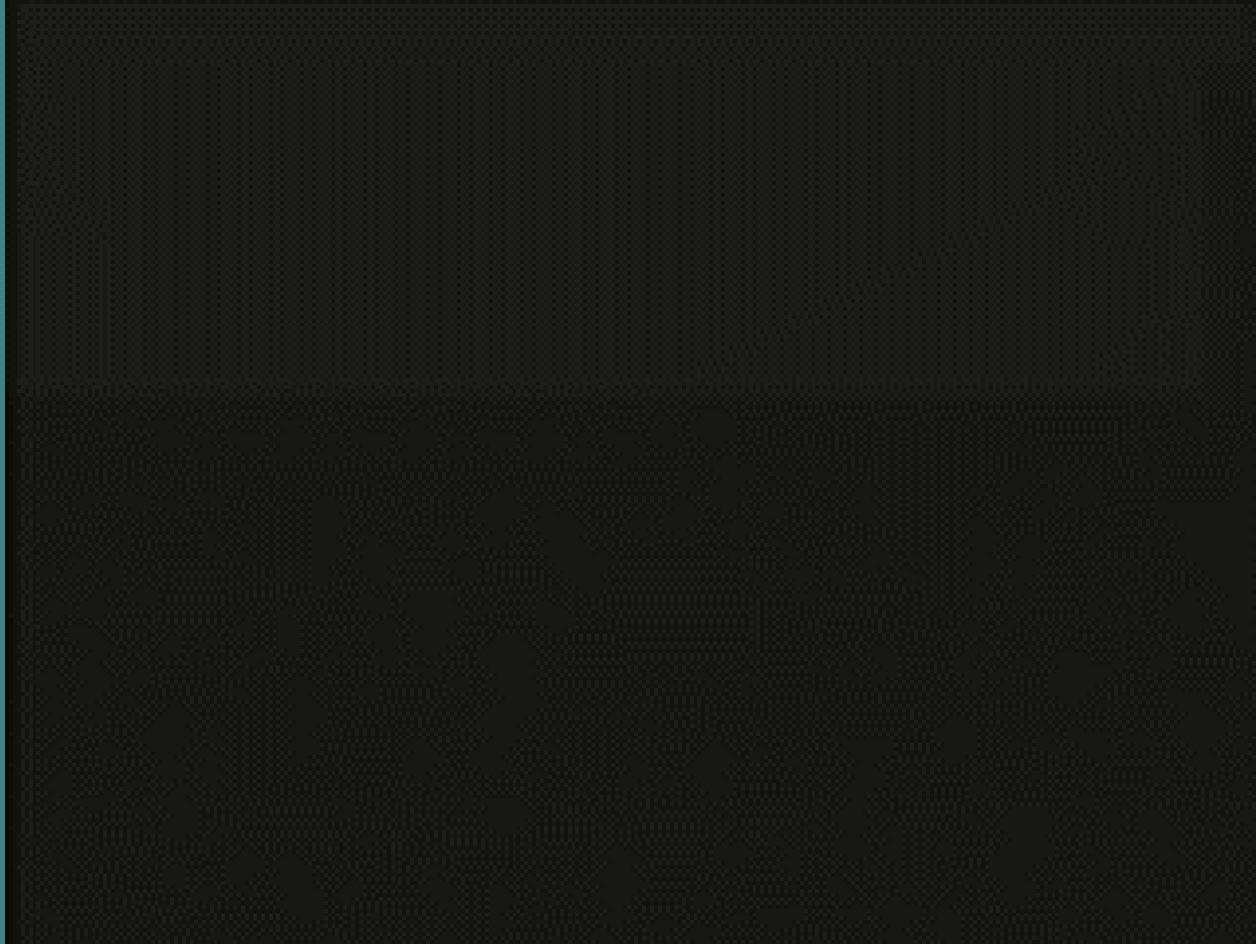
A true safety culture is *indistinguishable* and cannot be separated from the business culture. If you look at your business and say “that is my safety culture” and “that is my business culture,” then you are not there yet.

A business culture and a safety culture need to be aligned as one.

It has to be so ingrained, that the attitude is “this is how we run our business—it is safe” not “this is how we run our business while being safe.” It is so embedded in their employee’s attitudes and work ethics *they don’t even realize why they do it—they just do—that’s just how they do their job.*



THERE IS NO JOB SO SIMPLE THAT IT CANNOT
BE DONE WRONG.



Equipment Check

Questions



Ten Steps to Loss Control

1. Establish a Management Safety Policy
2. Assign key employees responsibility & **ACCOUNTABILITY** for safety
3. Identify, eliminate or control hazards
4. Report and Investigate all near miss, property damage & injury situations
5. Train supervisors & employees in safe work procedures & job Hazards
6. Schedule safety training/meetings encourage employee participation
7. Establish a claims mgmt and early return to work program
8. Make Safety a performance issue
9. Maintain accurate up-to-date records
10. Review, Assess and Communicate Outcomes