LandrumHR

Safety Pays

Presented by Jo-Anne Audette-Arruda

Today's Goals

1. Safety – What is it? What's the value?
2. Work Place Incidents
3. OSHA's Role or Goal
4. Workers' Compensation
    1. Costs
    2. Impact
5. ROI & Resources
6. Benefits

What is Safety?

“the state or condition of being free from harm or danger”

Products
Think
Safety
First!

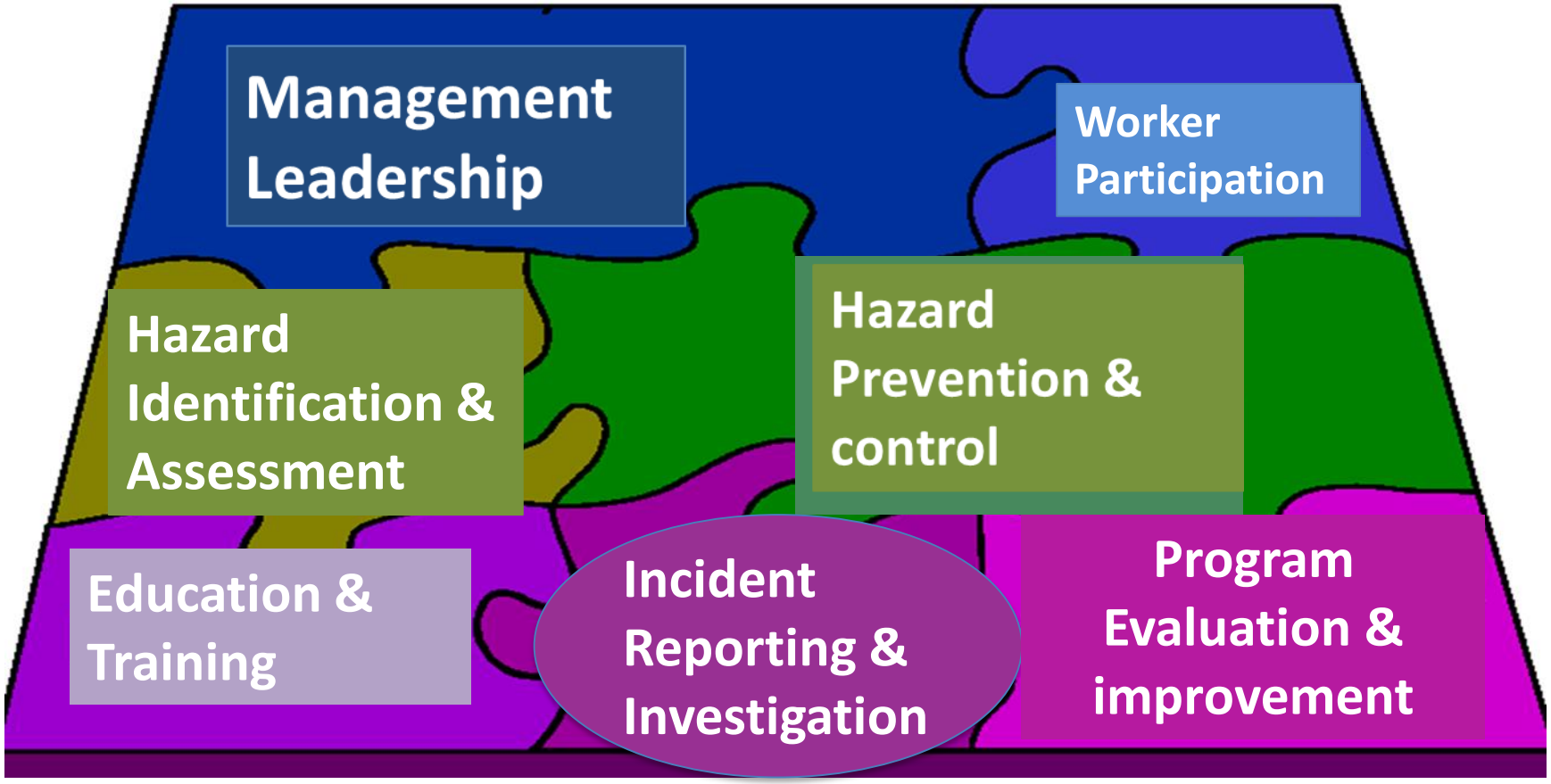
Why is Safety Important?

- Maintains the health and safety of our employees
- Protects our assets
- Improves quality of our products and services
- Protects our customers
- Reduces costs
  - Grow the business
  - Maintain or improve salaries/benefits
- Complies with laws and regulations*
- **Should be Your Culture** – Proactive

Strengthen Your Defenses

Safety isn’t just the absence of injuries, it is the strength of the defenses.

Injury & Illness Prevention Program



Work Place Incidents

Definitions

Incident	Near Miss	Accident
An *unplanned, undesired* event that hinders completion of a task and may cause injury, illness, or property damage or some combination of all three in varying degrees from minor to catastrophic. Unplanned and undesired do not mean *unable to prevent.* Unplanned and undesired also do not mean *unable to prepare for* Crisis planning is how we prepare for serious incidents that occur that require response for mitigation.	A subset of incidents that could have resulted in injury, illness or property damage, if given a different set of circumstances, but didn't. Near misses are also known as 'close calls.' Perhaps the better term to consider is 'near hit.' Near miss reporting is a piece of a strong safety culture. It is a way to get an organization talking about safety in general.	Definition is often similar to incident, but supports the mindset that it *could not have been prevented.* An accident is the opposite of the fundamental intentions of a safety program, which is to find hazards, fix hazard, and prevent incidents. When we accept that accidents have no cause, we assume that they will happen again.

Opportunity…

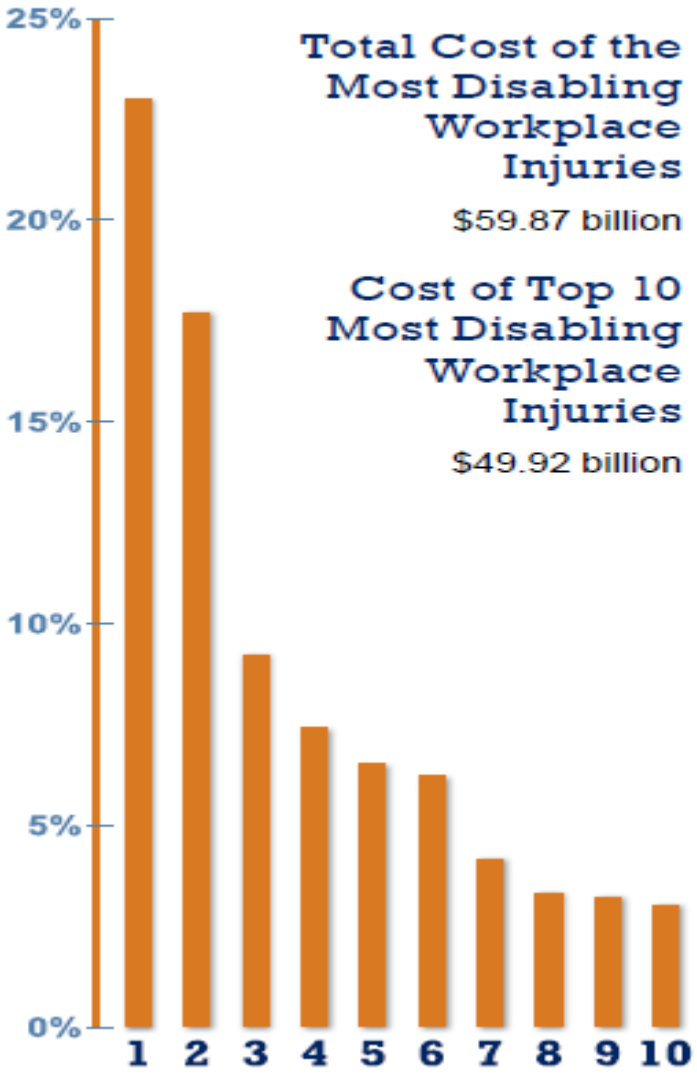
Cost of Incidents and Injuries

- **Direct – Insurable**
  - Lost wages
  - Medical
- **Indirect - Uninsurable**
  - Equipment
  - Repairs
  - Production –loss of business, reputation
  - OSHA fines
  - Legal costs – 3rd party liability, defense of a claim
  - Train new individuals
  - Time – management, supervisors, & team members

2017 Liberty Mutual Workplace Safety Index

Causes and Direct Costs of the Most Disabling U.S. Workplace Injuries[1,2]

1	Overexertion Involving Outside Sources *23.0%* **$13.79 billion**
2	Falls on Same Level *17.7%* **$10.62 billion**
3	Falls to Lower Level *9.2%* **$5.50 billion**
4	Struck by Object or Equipment *7.4%* **$4.43 billion**
5	Other Exertions or Bodily Reactions *6.5%* **$3.89 billion**
6	Roadway Incidents Involving Motorized Land Vehicle *6.2%* **$3.70 billion**
7	Slip or Trip Without Fall *3.8%* **$2.30 billion**
8	Caught In/Compressed by Equipment or Objects *3.3%* **$1.95 billion**
9	Struck Against Object or Equipment *3.2%* **$1.94 billion**
10	Repetitive Motions Involving Micro-tasks *3.0%* **$1.81 billion**



Total Cost of the Most Disabling Workplace Injuries

$59.87 billion

Cost of Top 10 Most Disabling Workplace Injuries

$49.92 billion

Laws and Regulations

Workers' Compensation Insurance

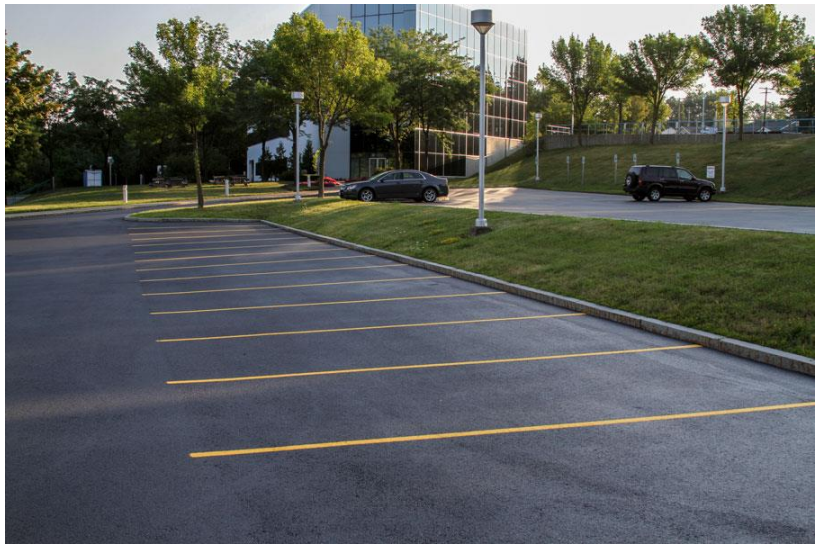
Intent: Assure quick and efficient delivery of disability and medical benefits to an injured worker and to facilitate the worker's return to gainful employment

- Required
- A benefit
- Costly
- EMR- Experience Modification Rate

Workers' Compensation

Applies to all work-related injuries: Arising out of and in the course of employment:

- Traveling employees
- Recreational or social activities
- Personal comfort or convenience
- Horseplay
- Assaults
- Parking lot
- Lunchtime or break
- Coming or going



RTW - SAW Programs

- Temporary, transitional, alternative, short-term, and meaningful work assignment that fits with in the EE's restrictions.
- Allows EE to work while recovering.
- Maintain work routines.
- Improves EE morale.
- ER can modify EE's current job or assign EE work that falls within the scope of EE's restrictions.
- Focus on what EE can do, avoid terms like "easy work".
- Avoid risk of re-injury or aggravation of injury.

- Benefits both employee and employer!

Job Safety and Health
IT'S THE LAW!

OSHA®
Occupational Safety and Health Administration

All workers have the right to:

- A safe workplace.
- Raise a safety or health concern with your employer or OSHA, or report a work-related injury or illness, without being retaliated against.
- Receive information and training on job hazards, including all hazardous substances in your workplace.
- Request an OSHA inspection of your workplace if you believe there are unsafe or unhealthy conditions. OSHA will keep your name confidential. You have the right to have a representative contact OSHA on your behalf.
- Participate (or have your representative participate) in an OSHA inspection and speak in private to the inspector.
- File a complaint with OSHA within 30 days (by phone, online or by mail) if you have been retaliated against for using your rights.
- See any OSHA citations issued to your employer.
- Request copies of your medical records, tests that measure hazards in the workplace, and the workplace injury and illness log.

This poster is available free from OSHA.

Employers must:

- Provide employees a workplace free from recognized hazards. It is illegal to retaliate against an employee for using any of their rights under the law, including raising a health and safety concern with you or with OSHA, or reporting a work-related injury or illness.
- Comply with all applicable OSHA standards.
- Report to OSHA all work-related fatalities within 8 hours, and all inpatient hospitalizations, amputations and losses of an eye within 24 hours.
- Provide required training to all workers in a language and vocabulary they can understand.
- Prominently display this poster in the workplace.
- Post OSHA citations at or near the place of the alleged violations.

FREE ASSISTANCE to identify and correct hazards is available to small and medium-sized employers, without citation or penalty, through OSHA-supported consultation programs in every state.

Contact OSHA. We can help.

1-800-321-OSHA (6742) • TTY 1-877-889-5627 • www.osha.gov

OSHA's Goal – Safer Workplaces

Mission:

- Improve employee safety
  - Prevent fatalities, injuries & illnesses
  - 2016: 5,190 Fatalities- 14/day (1970- 38/day) (~ 7% increase)
  - 2.9 M nonfatal work place injuries / illnesses – 3 / 100 FT EE (1970 - 10.9 / 100 FT EE)
- Recognition of hazards
- Resource development & allocation
- Enforcement efforts (total inspections~ 76,000)
- Public pressure – behavioral economics
  - Published company data will likely drive companies to improve their records

Federal Compliance – OSHA

- **Injury recording and reporting**
  - 2015 Recordkeeping Rule Update
  - Nov 1, 2016 – Anti-Retaliation emphasis
  - 2017- New OSHA Reporting Requirements

- **Inspection Priorities**
  - Imminent danger to life and health
  - Catastrophes / Fatalities
  - Worker complaints and referrals
  - Targeted inspections - high injury/illness rates, severe violators
  - Follow-up inspections

OSHA Citations & Fines

The new penalties took effect August 2, 2016. Any citations issued by OSHA on or after this date will be subject to the new penalties if the related violations occurred after November 2, 2015.

Type of Violation	Current Maximum Penalty	New Maximum Penalty
Serious Other-Than-Serious Posting Requirements	$7,000 per violation	$12,471 per violation
Failure to Abate	$7,000 per day beyond the abatement date	$12,471 per day beyond the abatement date
Willful or Repeated	$70,000 per violation	$124,709 per violation

Return on Investment

- Would you spend $1 today if it would return $5? When?
- Easy decision?
- Requires data to convince upper management.
  - Injury data (OSHA Log; WC Loss Runs, Incident / Accident reports)
- **OSHA's $afety Pays Program** https://www.osha.gov/dcsp/smallbusiness/safetypays/index.html

OSHA Resources

Estimator Background Back to OSHA Small Business

OSHA's "$afety Pays" program can help employers assess the impact of occupational injuries and illnesses on their profitability. This program uses a company's profit margin, the average costs of an injury or illness, and an indirect cost multiplier to project the amount of sales a company would need to cover those costs. The program is intended as a tool to raise awareness of how occupational injuries and illnesses can impact a company's profitability, not to provide a detailed analysis of a particular company's occupational injury and illness costs.

The "$afety Pays" program will:

- Allow users to pick an injury type from a drop-down list or to enter their workers' compensation costs
- Prompt users for information to do the analysis, including their profit margin and number of injuries
- Generate a report of the costs and the sales needed to cover those costs

BEGIN

For additional information on how "$afety Pays" works, see Background of the Cost Estimates

Note: The Cost Estimator requires JavaScript to be enabled in your internet browser. An alternate text version is also available.

If you have safety or health problems in your workplace, please contact your local OSHA Area Office or the OSHA On-site Consultation Program in your state.

OSHA Resources – $afety Pay

Text Version

Estimated Costs of Occupational Injuries and Illnesses and Estimated Impact on a Company's Profitability Worksheet

Employers can use the "$afety Pays" to assess the impact of occupational injuries and illnesses on their profitability. This program uses a company's profit margin, the average costs of an injury or illness, and an indirect cost multiplier to project the amount of sales a company would need to generate to cover those costs. The program is intended as a tool to raise awareness of how occupational injuries and illnesses can impact a company's profitability, not to provide a detailed analysis of a particular company's occupational injury and illness costs. Your local OSHA On-site Consultation Office can help small businesses identify workplace hazards and develop and implement an effective injury and illness prevention program.

Direct Costs

1. Select an injury type from the drop-down menu OR enter the total workers' compensation costs.
2. Enter the profit margin (leave blank to use default of 3%).
3. Enter the number of injuries (leave blank to use default of one).
4. Select "Add/Calculate" to compute the total direct and indirect costs.
5. Repeat the step to add additional injuries to the list.

Injury Type — Select an Injury Type

or — **OR**

Workers' Compensation Costs *(annual sum of costs)*

Enter Profit Margin (%) *(leave blank to use default of 3%)* — 3

Enter Number of Injuries *(leave blank to use default of one)*

Add/Calculate | Clear

OSHA Resources - $afety Pays

Estimated Total Cost

The extent to which the employer pays the direct costs depends on the nature of the employer's workers' compensation insurance policy. The employer always pays the indirect costs.

Injury Type	Instances	Direct Cost	Indirect Cost	Total Cost	Additional Sale (Indirect)	Additional Sale (Total)	
Carpal Tunnel Syndrome	1	$ 30,509	$ 33,559	$ 64,068	$ 1,118,663	$ 2,135,600	Remove
Hernia	1	$ 22,313	$ 24,544	$ 46,857	$ 818,143	$ 1,561,900	Remove

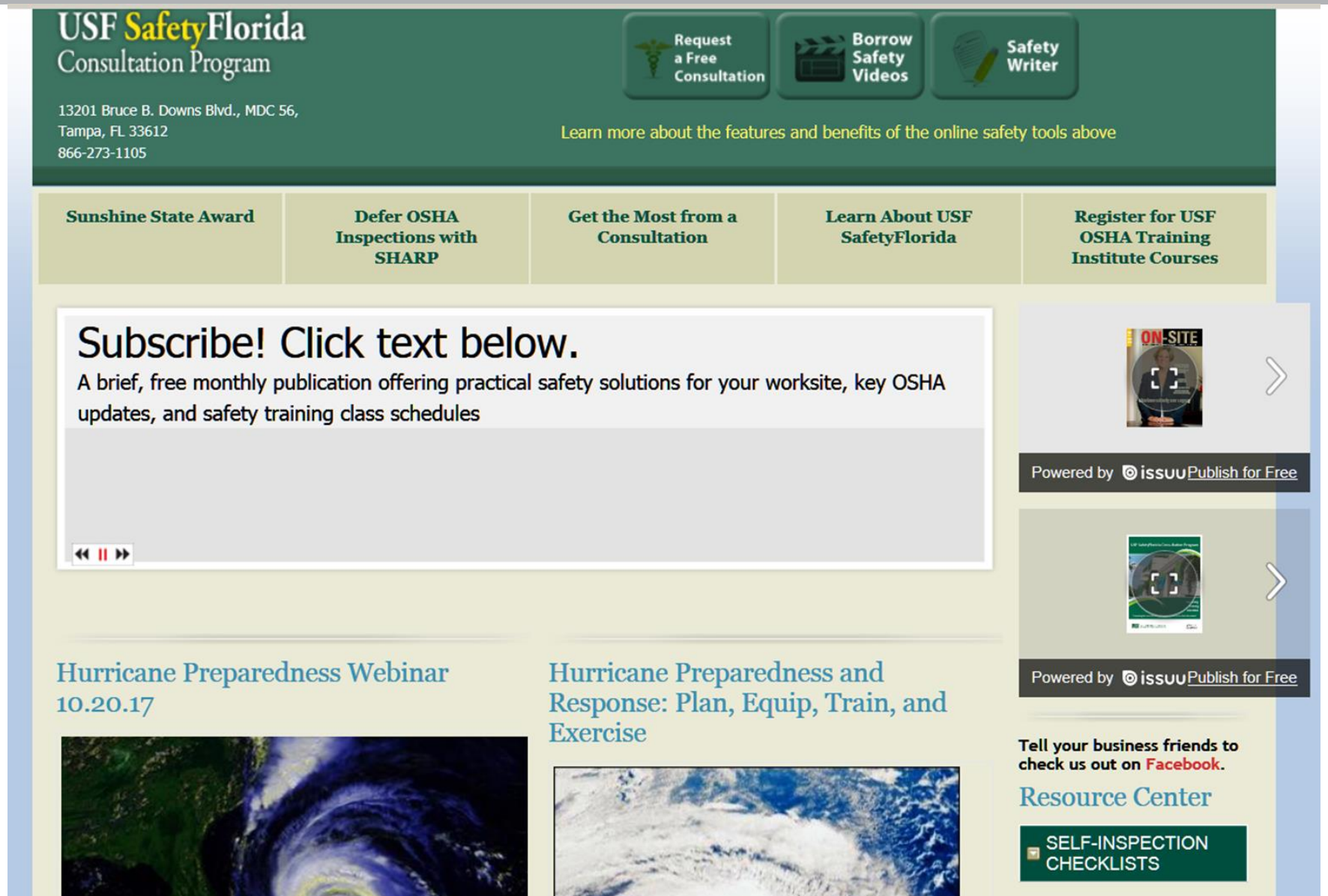
Totals

Estimated Direct Costs:	$ 52,822
Estimated Indirect Costs:	$ 58,103
Combined Total (Direct and Indirect Costs):	$ 110,925
Sales To Cover Indirect Costs:	$ 1,936,806
Sales To Cover Total Costs:	$ 3,697,500

Disclaimer:

This program is not a new standard or regulation, and creates no new legal obligations. It is intended to help raise employers' awareness of the impact of occupational injuries and illnesses on profitability. The average claim cost estimates used in "$afety Pays" are provided by National Council on Compensation Insurance, Inc. (NCCI). The data reflects the average cost of lost time workers' compensation insurance claims derived from unit statistical reports submitted to NCCI for policy years 2011-2013. NCCI makes no guarantees nor assumes any

USF Safety Florida – Consultation Program



Other Resources

What You Don't Know About Eye Protection, but Should!

by Erin Giblon,MS

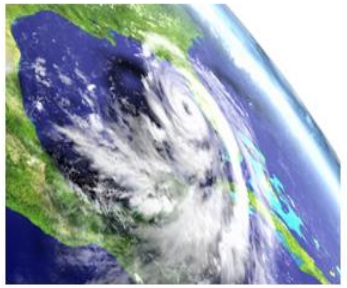
Proper eye protection is vital in almost every job. **What every employer should consider is IMPACT!**

What are the chances that some type of object, dust, fragments, particles, sparks, even blood could make its way into the eyes of an employee? *Click here to read the full article*

Forms and Resources for Reporting A Work Related Injury

The LandrumHR Risk Management team wants to help your company's supervisory team and employees facilitate a timely and appropriate response to a work related injury.

Therefore, we have created the following downloadable resources to help ensure that work



Hurricane Season is here: Is Your Business Ready?

by Tracey Wallace

Hurricane season is here! The LandrumHR Risk Management Team wants to help make sure your business is prepared for a storm. We want to help ensure the safety and health of your employees and that you are able to get your business back up and running as soon as possible after a Hurricane.

Read more here

Legal Workers' Compensation Questions All Supervisors Should Know:

1. My employee was injured at work and is refusing medical treatment. What do I do?
2. My employee wants medical treatment, but refuses the drug screen. What do I do?

Benefits of Safety

- Reduces risk- fewer injuries
- Improves business results – increases productivity
- Morale – positive
- Public relations
- Competition

OSHA Press Release 9/20/2016 Dollar General faces $156,772 in fines after OSHA finds recurring issue with blocked fire exits.

Development of Safety Culture

ODUCTS

Safety+Health

The ROI of Safety

Cost of occupational injuries and deaths, 2012

Total cost to society:

$198.2 billion

$11.0 billion in employers' uninsured costs, which includes time to investigate injuries and write reports

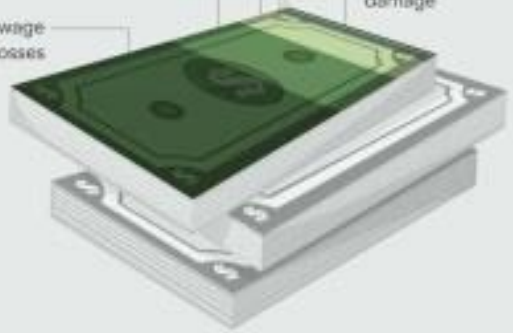
$3.2 billion for fire losses

$36.5 billion in administrative expenses

$2.2 billion for vehicle damage

$55.7 billion in medical costs

$89.6 billion in wage and productivity losses



$1,400

= INJURY IMPACT PER WORKER

This includes the goods or services each worker must produce to offset the cost of work injuries. It is not the average cost of a work-related injury.

$39,000

Cost per medically consulted injury, including estimates of wage losses, medical expenses, administrative expenses and employer costs

How much?

Injuries can be costly. Here is a quick rundown of some of the more expensive injury types by average cost per workers' compensation claim from 2010 to 2011.

BY CAUSE OF INJURY:

Motor vehicle	$69,508
Fall/slip	$42,152
Burn	$38,575

BY NATURE OF INJURY:

Amputation	$66,811
Fracture/crush/dislocation	$52,105
Other trauma	$43,400

BY PART OF BODY:

Head/central nervous system	$84,844
Neck	$56,489
Multiple body parts	$54,585

The average combined cost was **$36,592** per claim.

Cost per death:

$1.42 MILLION

Source: National Safety Council, "Injury Facts," 2014 edition

Benefits of Safety

- Reduces risk
- Improves business results
- Fewer injuries
- Higher morale
- Public relations
- Competition

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Thank you!