

# Putting A Premium On SAFETY

*A safer work environment can lower your workers' compensation premiums.*

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The key to creating a safer work environment is to address the issue head-on.

In a speech given on April 26, 2012, Secretary of Labor Hilda Solis brought to light how far we have come in creating a safer work environment for all employees, regardless of industry, but how far we still have to go.

*"Every day in America, 13 people go to work and never come home. Every year in America, nearly four million people suffer a workplace injury from which some may never recover. These are preventable tragedies that disable our workers, devastate our families and damage our economy. American workers are not looking for a handout or a free lunch. They are looking for a good day's pay for a hard day's work. They just want to go to work, provide for their families, and get home in one piece."*

## **The OSHA Effect**

Since the inception of the U.S. Occupational Safety and Health Administration (OSHA) in the 1970s, workplace fatalities have dropped by more than 65 percent, and job-related injuries and illnesses have been reduced by over 67 percent, yet these numbers could decline significantly by taking simple precautions.

Workplace injuries affect everyone in the workplace, and recent studies have shown that when workplace safety is a high priority for the company, employees tend to feel more comfortable and confident in their work, resulting in an increase to productivity and profit margins for employers.

A safer work environment will boost employee morale, and employers over time will see a decrease in their Workers' Compensation Premium as a result of fewer claims during the policy period.

In 2009, the National Safety Council reported that work-related motor vehicle crashes could cost an employer anywhere

from \$16,500 to over \$500,000.

On-the-job injuries can result in not only expensive medical bills for the employer, but in the event of a wrongful death or injury suit can even lead to a company being forced to file for bankruptcy.

Not only are these costs preventable, but more employers need to address with their employees safe practices for their profession.

## **Safety As A Priority**

In 2012, it was reported that the most common injuries in the workplace were:

10. Contact with hot or cold surfaces
9. Animal or insect bites
8. Foreign body in the eye
7. Motor vehicle accidents
6. Repetitive motion/occupational disease
5. Caught in between or under objects
4. Falls from height
3. Struck by object
2. Slip and fall injuries
1. Lifting/exertion.

While not all work-related injuries or illnesses may be preventable, better precautions can be taken to ensure that employees are working in a safe environment.

Employers need to create a sense that safety is a top priority for both them, and should be for their employees.

Employers should assign a group of employees to act as a Safety Task Team, and address common workplace injuries and how they can be avoided.

Safety checklists and procedures should be standard and included in any employee handbook or manual so that everyone can be held accountable for taking basic precautions.

## **Mod Rating**

The rewards of a safer work environment far exceed the consequences of not address-

ing these highly preventable issues.

Fewer claims for Workers' Compensation throughout the year can lead to lowering your Mod Rating, or Loss Experience Rating, and result in a discount to your Workers' Compensation Insurance Premium.

The Mod represents a credit or debit that is applied to your Workers' Compensation Premium, by comparing your claims history to other employers of similar size in the same industry and state as yours.

An "Average" Mod without a credit or debit applied, would be a Mod of 1.00.

An "Above-Average" Mod, one which falls below 1.00, for example .90, would result in a discount to your Workers' Compensation Premium of 10 percent.

The opposite being true for a Mod that rises above 1.00, for example 1.10, would result in a 10 percent surcharge to your Workers' Compensation Premium.

A simple correction to the Mod can result in saving hundreds or even thousands of dollars on your Workers' Compensation Insurance.

Mod reviews are typically conducted on an annual basis to coincide with a Workers' Compensation Policy renewal, but may not be conducted automatically by all insurance carriers.

For more information on safety in the workplace, how to prevent common workplace injuries and Mod Ratings, please visit the National Safety Council ([www.NSC.org](http://www.NSC.org)) or OSHA ([www.OSHA.gov](http://www.OSHA.gov)) websites. **CM**

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