

Districts Mutual Insurance

Workers Compensation and Accident Investigation

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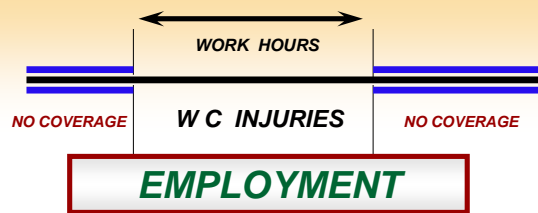


WORKERS COMPENSATION What is it?

- A system of *no-fault* insurance.
- Employees are the direct recipient of the policy *benefits*.
- Compensates for accidental injuries or diseases related to the employees work.



Through the Course of....



Who Determines the Premium?

- WISCONSIN COMPENSATION RATING BUREAU (WCRB)
- Determinant on:
 - How hazardous the jobs are-class codes
 - Past loss experience
 - Gross Payroll



Class Codes

- Object is to group similar employers so that each classification reflects exposures common to them
- Some 600 + Class Codes
- Business of the employer within the state that is classified.
- Developed by National Council on Compensation Insurance, Inc.



Rate Examples

•8868- College: Professional	-\$0.45
•9101 - College: All Others	-\$5.16
■5551 - Roofing	-\$32.21
■5069 - Steel Erection	-\$45.95

THE RATE DEPENDS ON THE EXPERIENCE (LOSSES) FOR ALL PAYROLL IN THE STATE BY CLASS CODE



The Cost of Insurance

$$\text{RATE "X" } \frac{\text{PAYROLL "X" MOD.}}{\$100} =$$

TOTAL PREMIUM



Premium Example

8868 College: Prof $\$0.45 \times \frac{\$100,000}{100} = \$450$

9101 College: Other $\$5.16 \times \frac{\$100,000}{100} = \$5160$

Standard Premium - (\$5610)

X MOD $\times 1.52$
Adjusted Premium - \$8527



Experience Modification

- ULTIMATELY DETERMINES **COST**
- **CARROT** AND THE **HAMMER**
- USES **3 YEARS** OF PAST HISTORY
- TAKES **3 YEARS** TO DO / UNDO
- **PRIMARY GOAL** IS TO CONTROL



Impacts of the Experience Mod

2009-2010 CURRENT POLICY

2008-2009 YEAR IN WAITING

2007-2008
2006-2007
2005-2006

YEARS USED TO DEVELOP THE MOD

2004-2005 DROPS OFF



Real Costs

- \$100K PREMIUM WITH **1.52 MOD.** = **\$152,000**
- \$100K PREMIUM WITH **1.00 MOD.** = **\$100,000**
- \$100K PREMIUM WITH **0.80 MOD.** = **\$80,000**



Ways to Reduce the Exp. Mod

- Reduce Number of Claims
- Reduce Severity of Claims
- Early Return to Work
- Accident Investigation
- Control Loss Drivers—What are yours?
- Identify/Control Probable Loss Drivers



Modified Duty

BENEFITS:

- Second only to not having injuries in reducing long-term insurance costs
- The quickest way to return an employee to full earning capacity
- Helps speed the recovery process
- Important for work comp but also disability



Modified Duty

- Prevents the employee from becoming dependent on a disability system
- Helps employees stay in touch with the work environment and fellow employees



Medical Vs. Indemnity

- ❖ A \$1000 medical claim goes into the formula as \$300
 - ❖ Medical only receives a 70% discount
 - ❖ Lighter impact on the mod
- ❖ A \$1000 indemnity claim goes into the formula as \$1000
 - ❖ Indemnity- first \$1 of loss wages...claim goes in at full value



Indemnity vs. Medical Only

Loss Type	Total Incurred	Limited Loss	Year 1	Year 2	Year 3
Indemnity	\$1,669	\$1,669	\$1,649	\$3,298	\$4,947
Medical Only	\$1,812	\$544	\$535	\$1,070	\$1,605

70% cost reduction for med only claims

Cumulative amount of premium dollars paid

**Indemnity is a claim that incurs lost time or results in permanent disability.



Indemnity vs. Medical Only

Loss Type	Total Incurred	Limited Loss	Year 1	Year 2	Year 3
Indemnity	\$9,621	\$9,621	\$3,499	\$6,998	\$10,497
Medical Only	\$9,500	\$2,850	\$1,052	\$2,104	\$3,156

70% cost reduction for med only claims

Cumulative amount of premium dollars paid

**Indemnity is a claim that incurs lost time or results in permanent disability.



Indemnity that could have been Medical only

Loss Type	Total Incurred	Limited Loss	Year 1	Year 2	Year 3
Actual Claim	\$1,480	\$1,480	\$763	\$1,526	\$2,289
No Indemnity	\$339	\$102	\$53	\$106	\$159

- Claim from Tech College
 - \$339 in medical costs
- Approximately \$1140 in indemnity costs
- Box hit foot



Modified Duty

SUPERVISOR RESPONSIBILITY:

- Take time to handle the injury properly
- Authorize medical attention immediately if needed. Provide necessary authorization forms and arranged for transportation if needed
- Investigate the circumstances of the reported injury and record all pertinent data



Modified Duty

- Explain all modified jobs in detail to the employee and point out any safety precautions that may exist.
- Know the employee (Is the person an overachiever?) and his or her medical restrictions. Make sure you and the employee do not exceed the restrictions unintentionally



Modified Duty

- Be aware of any employee on modified duty whether he/she is working under you or not. It is important not to assign any tasks or allow any tasks to be performed that exceed medical restrictions. Supervisors must share this information



That's great, but what about me?

- Why should the money come out of my budget?
 - Overall benefits college
 - Money really is all in one "pot"
 - Sometime the favor will be returned
 - Is money more important then the employee



Modified Duty

- Plan ahead
- List of predetermined jobs based on restriction
 - One hand work only
 - 10# lifting restriction
 - Can employee work in other department/area
- Ask others for ideas



Examples of Light Job Duties

- Cleaning/dusting
- Answering phones
- Developing forms
- Labeling containers
- Retraining
- Supervise/train new employee
- Empty garbage
- Organize/shred
- **BE CREATIVE! LOOK OUTSIDE THE BOX!**



Actual Example of Light Duty

- Maintenance employee injured knee
- Indemnity claim due to surgery
- Released to 5# lifting restriction and no prolonged standing
- Tasks given
 - Mapping for emergency evacuation for HR
 - Driving lawn mower



ACCIDENT INVESTIGATION



Why Investigate?

- Proven way to reduce accident recurrence
- Sends the message to employees that management is serious about safety
- Eliminate the distress and suffering caused by injury



Why Investigate?

- Create an awareness of problem areas
- Discover how methods and procedures can be improved
- Identify areas in the current safety program that can be strengthened

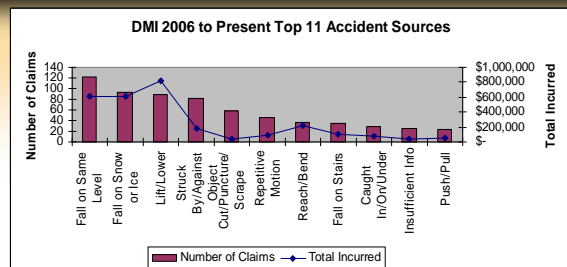


What is an Accident ?

- ◆ Any undesired, unplanned event arising out of employment which results in physical injury or damage to property.
- ◆ "Near miss" situations must also be addressed - events which did not result in injury or damage but had the potential to do so.



Loss Drivers for all of DMI



Accident Costs-taken from OSHA

The Tip of the Iceberg **\$1**

\$4 to \$10

Insured Costs

- Medical
- Compensation

Uninsured Miscellaneous Costs

- Investigation time
- Cost of hiring and/or training replacements
- Overtime if hourly employee
- Extra supervisory time
- Clerical time
- Wages not compensated
- Down time
- Negative public image
- Legal fees
- Reduced Employee Morale

Uninsured Property Damage Costs

- Building Damage
- Tool & Equipment damage
- Product & Material Damage
- Production delays & interruptions

The Real Cost of Accidents Can Be Measured and Controlled

Accident Investigation

SEEK TO DETERMINE:

- How an employee became injured
- Why it happened
- What can be done to prevent it from happening again

United Heartland

Accident Investigation

SEEK TO DETERMINE IF IT WAS AN:

- Unsafe Act
- Unsafe Condition

Accident Investigation

CAUSES OF AN ACCIDENT

- Unsafe Act: A deviation from a generally recognized safe way of doing a job that may cause or contribute to an accident.

Accident Investigation

Unsafe Act:

- Failure to wear safety equipment
- Using tools or equipment unsafely
- Not following proper work practices
- Operating or working at an unsafe speed

Accident Investigation

CAUSES OF AN ACCIDENT

- Unsafe Condition: Any condition of tools, machinery, equipment or other elements of the workers' environment that may cause or contribute to an accident.

Accident Investigation

Unsafe Condition:

- ❑ Poor housekeeping
- ❑ Lack of safety equipment
- ❑ Use of defective equipment or tools
- ❑ Poor lighting



Accident Investigation

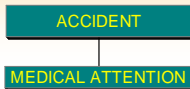
ACCIDENT INVESTIGATION PROCESS

ACCIDENT



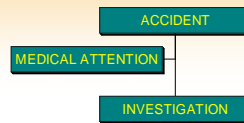
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ACCIDENT INVESTIGATION PROCESS



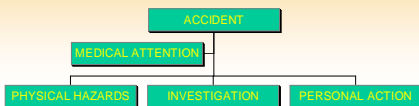
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ACCIDENT INVESTIGATION PROCESS



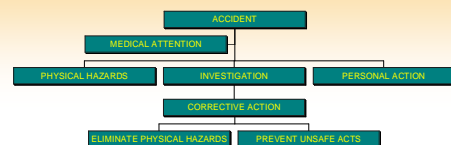
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ACCIDENT INVESTIGATION PROCESS



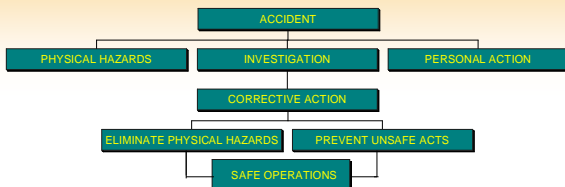
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ACCIDENT INVESTIGATION PROCESS



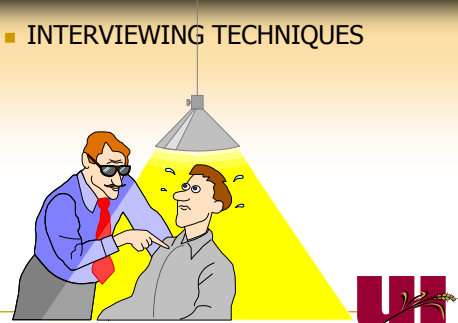
Accident Investigation

ACCIDENT INVESTIGATION PROCESS



Accident Investigation

INTERVIEWING TECHNIQUES



Accident Investigation

Thorough Investigation includes:

- Put employee at ease
- Use open ended questions
- Go to the accident scene
- Photographs/Diagrams
- Have employee(s) write down what happened in own words on paper ASAP. If witnesses, have each do this privately.
- After have written statement, ask questions to clarify. (This way if you can't talk to them right away, you will have their best recollection of the incident on paper to follow up with later)



Accident Investigation

Steps for Thorough Investigations:

- Determine the sequence of events
- **DO NOT REENACT THE ACCIDENT**
- Summarize to Confirm Understanding



Accident Investigation

- Make sure to fill out appropriate forms
- Be as detailed as possible
 - If needed, attach additional pages
 - If there are written statements, attach those to report
- Include location code and department code
- Send forms to appropriate contacts ASAP



Accident Investigation

QUESTIONS TO ASK AFTER AN ACCIDENT

- The 5 W's and the H
- Was it an unsafe act OR condition?
- What could have been done to prevent the accident?
- What corrective/follow-up actions are needed?



Accident Investigation

- Get to root of the problem, don't just accept excuses
- Don't be afraid to ask "Why" several times
- Ask for suggestions from the injured person and/or witnesses
- Be open and sincere



Example of Investigation

- Unsafe Condition
 - Loose floor tiles
- Investigation
 - Ask questions to find out this was the problem
- Corrective Action
 - Work order to fix floor tile
 - Place signage to alert everyone of danger
- Follow up
 - Responsibility doesn't stop with corrective action



Another Example

- Unsafe Act
 - Not wearing safety glasses
- Investigation
 - Determine the root cause of why employee was not wearing safety glasses
- Corrective Action
 - Retraining injured employee AND others
 - Glasses readily available, etc
- Follow up
 - Periodically monitor to make sure glasses are being worn by involved individuals



One Last Example

- Unsafe Act
 - Standing on chair to hang something on wall
- Investigation
 - Determine why employee was standing on chair
- Corrective Action
 - Make ladder available in area?
 - Retraining/education injured employee AND others
 - Order additional ladders and inform staff
- Follow up
 - Ensure ladders are available and staff know where they are



Accident Investigation

PREVENTION

- Training - tell, show, explain, check, retrain
- Observe employees-correct unsafe acts
- Observe environment-correct unsafe conditions
- Enforce safety rules-be consistent
- Set a good example-employees watch you



Questions?

THANK YOU

