

THE INCIDENT REPORT

...a monthly newsletter from Districts Mutual Insurance

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THE DEC PAGE: Benchmarking Worker Compensation Premium Rates '10 - STEVEN STOEGER-MOORE, EXEC VP - DMI

A very Happy New Year to everyone! With the New Year upon us, DMI will be focusing efforts on the preparation of various calendar year-end reports. In close communication with our actuary, year-end reserves will be established. Collaborating with our accountant, a calendar year-end report is submitted to the OCI. Preparations for the Annual Audit are also well under way. The business side of DMI operations are closely scrutinized, especially so with end-of-year due diligence.

With the change in the calendar year, the colleges find themselves at the midpoint of their fiscal year. Budget preparations are underway for FY12*. A goal for the creation of DMI was to achieve cost-containment. We have been highly successful in maintaining "rate" over the last several years. The DMI Property, Casualty, Equipment Breakdown, and Campus Violent Acts policies have held rate or reduced rate commensurate with general commercial market conditions. These four (4) policies are exclusively exposure-based. The most volatile line of business is Workers' Compensation. Rates are determined by the WCRB, premium is based on payroll by classcode, the WCRB rates per \$100/payroll, and the College's individual frequency and severity of claims loss. DMI will continue to commit talent and time to assist in addressing the control of expenses associated with Workers' Compensation.

Wishing ALL a healthy and prosperous 2011!



*To assist in the budget planning process please refer to "Estimating Premiums for Budgeting Purposes FY12" found on the DMI website (HOT TOPICS section) or by clicking here.

News, Announcements, etc...

Upcoming Quarterly Meetings

DMI Board of Directors Meeting

THURSDAY - January 20th - 10:00 am
Madison West Campus

DMI Environmental Health & Safety Committee

[Formerly Risk & Loss Control Committee]

THURSDAY - January 20th - 9:00 am
Madison West Campus

DMI Risk Manager Meeting - FRIDAY - January 21st - 9:00 am - Madison West Campus

OSHA 300 Log Reminder

It's that time of year again...when the Workers' Compensation Division of the Department of Workforce Development requires public employers to provide them with OSHA survey information (when requested). Now is the time to make sure your 2010 OSHA 300 log is up-to-date.

2011 URMIA Regional Conference

The 2011 URMIA Midwestern Regional Conference will be held June 16th and 17th at Wheaton College, Wheaton, Illinois. Visit the URMIA website for more information.

Insuring Risk - Sharing Rewards



BRIGHT IDEAS:

Basics of Lockout/Tagout (LO/TO) Achieving a state of "Zero Energy"

Tim Greene - DMI Risk & Loss Control Consultant

Lockout refers to the specific steps taken to safeguard employees from the unexpected startup of machinery and equipment or the release of hazardous energy during setup, service, or repair. To lockout equipment, a lock is placed on the energy source, control, or isolating device.

When it comes to lockout procedures, a shortcut in the process can literally mean the difference between life and death. Lockout procedures protect employees working on a piece of equipment and all others on the premises. Although specific lockout procedures vary by industry, type of equipment used, and procedures / assigned responsibilities within your college, there are some basic common guidelines that employers and employees alike should be aware of.

One of the most critical element of a lockout policy is the clear definition of when a lockout needs to occur. It is important that a distinction be made between normal production/instructional operations and instances when a lockout is needed. Communication of this information to those affected cannot be emphasized enough.

It is important to begin this process by identifying all potential energy sources. A simple disconnect of the main power switches is not sufficient as other types of energy may exist such as: hydraulic; electrical; thermal; pneumatic; gravity; and chemical energy. It is important to drain, release, or block any/all stored energy. The second step in this process is correctly locating energy isolating devices. To achieve proper equipment isolation, an energy isolating device such as a circuit breaker, disconnect switch, or gate valve must be found, tagged, and locked out in the closed position.

This is the point in the process when all machine/equipment operators should be informed of the lockout. A sudden loss of power could be dangerous if workers are not aware of the situation and are still working on the machinery/equipment. Once the sources of energy are identified and employees are informed - locks (with a warning tag indicating the date, purpose and length of the lockout, as well as who installed the lock) should be attached. If several people are working on the same equipment, each one should attach their own lock to a multiple locking device (hasp). Locks should be uniquely keyed (with only one key) to ensure employees cannot remove any lock but their own.

Now that the lockout procedures have been performed, the machine/equipment should be tested to ensure ALL energy sources have been secured. Machines/equipment should only be returned to service AFTER all established startup procedures have been followed. Special attention should be given to ensure that: all obstructions are cleared; all safeguards replaced; all locks removed in the correct order; and **ALL** workers have been notified and are clear of the area.

A clearly written and communicated lockout/tagout policy/procedure is as critical as providing the appropriate training. Periodic technical training to employees that are authorized to apply locks and tags to machines/equipment, and awareness training to those employees who will be affected by the machine/equipment, e.g. instructors (and students), those working in close proximity, etc. will help ensure safety in the workplace.

Quote of the Month

You are what you repeatedly do. Excellence is not an event - it is a habit.

- Aristotle

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