

OSC 10
Ohio Safety Congress & Expo

**Workers' comp claims
in the trucking industry**
365

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Tuesday, March 30, 2010 2:15 to 3:15 p.m.

Ohio Bureau of Workers' Compensation

Let's get right to the point!

Simply put,
claims costs drive rates.

Ohio Bureau of Workers' Compensation

Accident + Injury = Claim



Ohio Bureau of Workers' Compensation

**Common trucking
industry accidents**

- o Falls
- o Struck by/Strike against
- o Strains/Sprains
- o Caught in/on/or between

Ohio Bureau of Workers' Compensation

Related claim costs

- o Shoulder and upper arm sprain/strain:
\$3,146.50
- o With rotator cuff: \$26,609.21
- o Lumbosacral sprain & strain: \$6,182.91

Ohio Bureau of Workers' Compensation

Related claim costs:

- o Fracture radius/ulna, lower end,
closed \$29,472.64
- o Open wound finger with tendon involvement:
\$17,280.83

FY 2008 Ohio BWC Claims Costs
Dollar amounts represent the average cost.

What makes up the cost of a claim?

Claims costs

1. Medical costs
2. Lost wages
3. Reserves

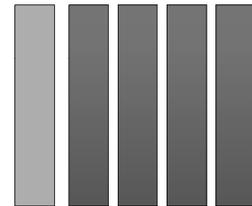


Direct and indirect costs

- Direct = Insured
- Indirect = Uninsured

Direct vs. indirect costs

Indirect vs. Direct



If indirect costs are four times your company's BWC insured direct costs

Medical and compensation costs..... \$1,500
 Compensation reserve..... \$3,500
 Total insured cost..... **\$5,000**
 Total insured (direct costs) *multiplied by 4*
 $\$5,000 \times 4 = \$20,000$ (indirect costs)
 Total insured (direct costs) + (indirect costs)
 $\$5,000 + \$20,000 = \mathbf{\$25,000}$

Do the math for your CEO!

Your medical and comp. costs _____
 Your compensation reserves + _____
 BWC direct Insured Cost = _____
Direct cost + (4X direct cost) = Your total

**Your total costs /your profit margin
 equals
 sales required to cover your losses.**

Two valuable cost control strategies

- Transitional work
- Wage/Salary continuation

What is transitional work?

Transitional work is any job, task, function or combination of tasks or functions that a worker with restrictions may perform safely, for remuneration and without the risk of re-injury.



Wage/Salary continuation*

- Employer continues to pay employee their normal wage.
 - Reserves are suppressed (Effective with claims on or after Jan. 1, 2011, reserves will no longer be suppressed).
 - Employee continues to accrue seniority, retirement, leave, etc.
 - Health insurance continues, if employer provides it.
- * It's not available with Deductible Program.

Direct vs. indirect costs

- Medical costs
- Compensation costs
- BWC reserves
- Hiring/training replacements
- Overtime (lost work)
- Legal expenses
- Product / tool damage
- Production delays



Other indirect costs

- Morale
- Admin time
 - Claims handling
 - Supervisory duties
 - Accident analysis
 - Loss of business (customer goodwill)
- OSHA

There are lists

- Top citations for general industry
- Top citations for general construction
- Top citations for trucking
- Top citations for warehousing/storage

Focus on two lists

1. Truck transportation
2. Warehousing and storage

Truck Transportation

1910.1200

Hazard communication standard

- Written program
- Employee education and training
- Material safety data sheets

1910.132

Personal protective equipment

- Hazard assessment and equipment selection
- Provision, use and maintenance
- Hazard assessment – Written certification
- Training

1910.157

Portable fire extinguishers



- o Provision for and accessibility
- o Training and education
- o Initial and annual training and education

1910.37

Exit routes



- o Routing/obstruction of exit routes
- o Marking with "EXIT" signs
- o Illumination of exit signs

1904.29:

Log and summary of occupational injuries and illnesses



Requirement to keep the OSHA 300 log & information to record



Warehousing and storage

The most written citation

1910.178

Powered industrial trucks: Operator training



Others:

- o Removal from service;
- o Operator training – Certification;
- o Three-year performance evaluation;
- o Daily inspection.

Repeat performers

- o Hazard communication
- o OSHA 300 log
- o Exit routes
- o Fire extinguishers

How can you manage your safety and health costs?

By practicing these techniques, you will be prepared to manage claims and eliminate hazards before they result in an accident that results in a claim.

Claim management

Remain at work

Return to work

Transitional work

Plan now!

Be prepared

- Conduct a written program review.
- Do a walk through and identify hazards.
- Ask co-workers where potential problems exist.

By practicing these techniques, you will be prepared to manage claims and eliminate hazards before they result in an accident that results in a claim.

Questions

Thank you for your attention.

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