

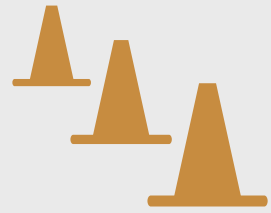
Workers' Comp & Safety News



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Workers' Comp 101

Back to Basics, Part II

In our last issue, you read about an employee who had mixed a chemical with water to see what type of reaction would occur, only to find himself in an explosion with chemical burns to his face, chest, arms and legs. When taken to the hospital for treatment, he advised the medical providers that he was injured at work so the claim was initially filed under workers' compensation benefits. What happened next? Read on for the rest of the story.

Gross Misconduct Not Covered

Since it wasn't his work area, the injured worker never received instruction on the proper use and handling of the chemi-

cal and he chose to mix it in a dangerous way. The insurance carrier denied workers' compensation benefits under "gross misconduct," with the reason that "we don't pay for stupid." Since the injury occurred at work, his health insurance also denied the claim. The employee was left to pay for all treatment and all lost wages and lost time associated with the injury, and his wife lost wages from her job while she stayed home to care for her husband. They missed their next month's mortgage as a result and had to take out a loan to cover the medical costs. That was an expensive lesson!

This example, of course, is somewhat out of the ordinary. So what steps do employers need to take when they encounter an

"ordinary" claim?

- Ensure the employee gets proper medical attention.

- Immediately notify your insurer that an injury has occurred, using the appropriate form.

- As soon as possible, get a statement of injury from the injured. As part of the accident investigation, the injured must provide a narrative on what and how the injury occurred.

- Comply with medical orders. If the worker needs modified/restricted or light duty for return to work, work with the medical provider to ensure appropriate job placement/tasks.

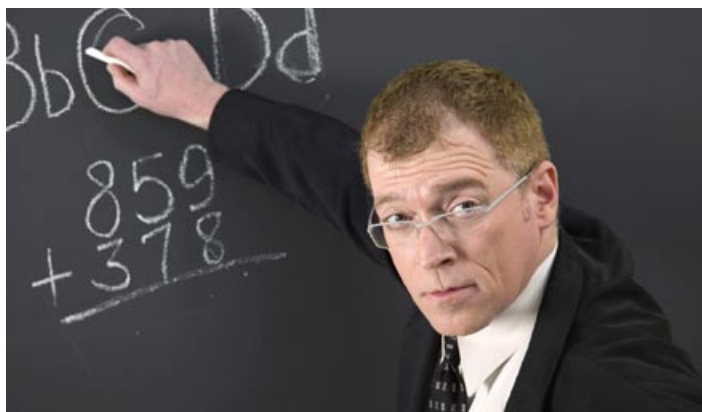
- Be prepared for premium increases. As with any type of insurance, the more claims filed under workers' compensation, the higher the premium can become, affecting the company's bottom line.

Keeping your injured workers informed throughout the workers' compensation claim process can minimize the misunderstandings that can lead to attorney involvement. Things you will want to be sure your injured workers understand include:

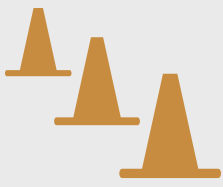
This just in...

A significant terrorism event in a major metropolitan area could cause \$90 billion in workers' compensation claims. No state allows workers' compensation to exclude coverage for terrorism-related claims, although other lines of insurance can. Insurers are concerned the expiration of the Terrorism Risk Insurance Act (TRIA), scheduled for the end of 2007, will greatly increase their exposure to terrorism losses and destabilize the market. TRIA makes terrorism coverage more affordable by providing insurers with a federal insurance backstop.

Workers' compensation prescription drug costs dropped between 2004 and 2005. The Hartford's annual survey of the top 25 drugs used for workers' compensation injuries found costs dropped 1 percent, largely thanks to greater availability of generics.



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Taking an Integrated Approach to Lowering Workers' Compensation

There's more to reducing costs than just reducing injuries!

Workers' compensation premiums can be a very significant expense for an employer. To reduce those premiums and other costs associated with workers' compensation, employers tend to focus narrowly on injury reduction. Managers are pressured from above to lower injury numbers or lose bonuses or other production-type incentives. This increases the likelihood of an employee or manager not reporting an event rather than helping an employee seek proper and appropriate medical attention. This can create a culture of uncaring and unconcerned managers and instill in employees the attitude that anything is okay as long as no one reports getting injured.

This type of culture drives up the likelihood of lawsuits, kills morale, overlooks shortcuts, ultimately reduces the quality of the work and the product, and will set the employer up for failure with regulatory agencies.

So how can employers reduce workers' compensation costs without negatively affecting safety or morale? Use an integrated safety approach throughout all levels of the organization. Following are some suggestions that you can put into action today.

1 Proactive Administration and Case Management

The human resources department must have up-to-date position or job descriptions that include tasks and essential functions, performance specifications and performance expectations. This ensures that a) Employees are fully aware of the physical requirements of the job, b) Employers can design a fit-for-duty physical examination that better ensures the employees can work performed according to expectations without injury to the employee. A treating physician knows at what level an employee must perform to be released for full duty.

2 Proactive Safety Process

Getting your safety professional focused on employee performance and not just compliance makes safety more of a set value than a changing priority. Safety becomes an ingredient in the total recipe rather than frosting on the cake that can be omitted when production pressures hit. A focus on performance ensures a team approach and addresses employee practices, management procedures, and production processes. This creates a more positive environment that encourages employee participation, rather than a reactive, punitive process that challenges employees to look for ways to "beat the system."

3 Management Participation and Training

In an integrated approach, managers work with the safety professional and human resources to design procedures and work practices that are productive, safe and in compliance. Managers can ensure their employees are being trained in how to perform their tasks the right way—safely, productively and efficiently—so quality of work and product is maintained. This also improves communication between all the departments, as everyone is now working toward the same goal, rather than managers being worried about production while the safety professional tries to gain compliance with standards or requirements that don't seem realistic.

4 Proactive Wellness Program

Employers realize that employee health and wellness provide lower risks for injuries or fatal illnesses (heart attacks, strokes, diabetes, etc). Promoting wellness within the workplace will help employees understand the value of health and wellness at home. Change out vending machine choices, provide more water to drink, choose healthier meeting lunch menus, etc. Studies have shown that a company with a wellness program can reduce workers' compensation claims up to a 20 percent.

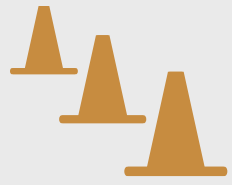
5 Taking Safety and Health Home

Getting employees to take the safety message home has a number of benefits. Employees share safe practices with their families; employees feel that the employer is more concerned over their well-being; and employees are more likely to do a task at home the right way and avoid shortcuts when families are directly involved, to name a few. How does this save workers' compensation dollars? An employee injured at home may decide that injury is "work-related" if there are complications or additional treatment is necessary. Though health insurance may cover the medical cost, it won't cover lost time from work, encouraging the employee to find alternatives to lost income.

6 Proactive Employee Training

Train employees in workers' compensation so they understand how it works, what it is for, and how it affects them after an injury. Tell them about waiting periods and why return-to-work programs with restricted duties benefit them. Tell them about the potential





Quiet and Deadly—the Hazards of Carbon Monoxide

Cooler weather and use of supplemental heaters at work and the home increase the risk of CO poisoning.

Cooler weather brings out the supplemental heaters both at work and at home, such as kerosene or propane heaters, wood stoves and even fireplaces. As you know, carbon monoxide (CO) is a by-product of incomplete combustion. Anytime something burns, there is CO. It is colorless, odorless and tasteless. It weighs about the same as air, so the gas can saturate and mix with air easily while it displaces the oxygen in the air.

Carbon monoxide cannot be seen and, without a CO monitor, is not easily detected. In some respects, CO mirrors oxygen. For example, oxygen attaches to hemoglobin inside the red blood cells so it can be transported throughout the body and “feed” all of the body’s living cells. When CO is introduced into the body, it attaches to the hemoglobin 40 times faster than the slower oxygen, causing the oxygen to be pushed out and displaced from the red blood cells.

Once the carbon monoxide is attached, it (not the oxygen) is transported to all the cells in the body and causes the cells to starve. In addition to this, the molecule is released from the cells much more slowly than oxygen. So, an over-exposed person can receive 100 percent oxygen in a rescue situation and still die from being oxygen-deprived! The CO molecule simply will not let go.

In addition to its adverse affects on the human body, a high concentration of carbon monoxide will saturate an oxygen sensor in an air monitor. If the monitor does not measure for CO exposure, there may be no alarm since the oxygen sensor is corrupted, as well.

The permissible exposure limit for an 8-

hour time weighted average for carbon monoxide is 50 parts per million (ppm). To illustrate, the recipe for making a root beer float is one scoop of vanilla ice cream to one cup of root beer. If using the ppm recipe, there would be one scoop of vanilla ice cream to one railcar tanker of root beer to give one part of ice cream to one million parts of root beer.

Now, take 50 scoops of ice cream and place them in a railcar tanker of root beer. Would you notice any significant difference? Going back to the ppm level of 50 for carbon monoxide, it doesn’t require too many CO molecules to become hazardous to a person’s health.

Depending on the exposure time and concentration of carbon monoxide, it can produce a fatal recipe. The chart below provides an example of the human body’s reaction to various levels of carbon monoxide.

PPM	Effect	Time
50	PEL*	8 hrs
200	Slight Headache	3 hrs
600	Headache, Discomfort	1 hr
1000-2000	Confused, Nausea, Heart Palpitation	30 mins
2000-2500	Unconsciousness	30 mins

Keep suspect areas well ventilated and keep people rotated to reduce exposure time or concentrations. And, if you see any employees showing the signs of exposure, get them to fresh air immediately!

Carbon monoxide is a silent killer. Whether high concentrations at short intervals or small concentrations with prolonged or repeated



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✦ The workers’ compensation carrier might need additional information while working the claim. An employee should not be surprised if an adjuster calls him/her for additional information.

✦ There is a waiting period between the time of injury and compensation for lost wages.

✦ The amount of compensation awarded can vary from state to state. These amounts are prescribed by law and cannot be made up or changed by an employer, nor can employees get more by hiring an attorney.

Companies must know how to handle workers’ compensation claims and how to communicate their procedures and practices with employees and managers. Keeping this subject open with a willingness to discuss it minimizes lawsuits and builds positive relationships that create a winning environment for everyone.

exposure, CO will compromise and adversely affect a person’s health. Knowing the hazards can help, but only preventing the exposure will protect a person from harm. ■

*Permissible exposure limit, an OSHA standard that limits the amount of a material that an employee can be exposed to over a certain period of time. A standard PEL is for an eight-hour shift. In this case, an employee can be exposed to 50 parts per million of carbon monoxide weighed out over an 8-hour shift without it causing harm to the employee.





Workers' Compensation Authorization Forms

Use of a proper authorization form can speed the claim process for worker, provider and employer.

You as an employer should have a workers' compensation authorization form for your employees to take with them to a treating physician. Educate, train and continue to remind your employees that if they are going to see a physician for a work-related injury, they must have reported it to you and received an authorization form to take to the physician. If the employee fails to obtain an authorization form, he or she needs to know that the claim may be denied for not properly reporting the injury. This reduces the chance of employees going to a physician after work hours and claiming a work-related injury without your knowledge.

Your workers' compensation insurance carrier can provide assistance in designing and implementing this type of form.

If you already use an authorization form, review it periodically to ensure your physicians and your policies have not changed. Keeping this form current will ensure your physicians have the cor-

rect contact information for billing and administration while assuring them the patient has your authorization for treatment of a work-related injury.

Have you ever had an employee report a 'questionable' injury? Whether it is related to suspected fraud or simply not sure that the reported injury is compensable, be sure you:

- ✦ conduct an injury investigation (as you should with all reported injuries)
- ✦ interview the claimant and any witnesses (separately, of course) to determine what happened and how it happened
- ✦ share investigation results with the insurance carrier.

Depending on the claim, the carrier may conduct its own investigation or may simply guide you in what your next step should be with the claimant. Never deny a questionable claim; always seek assistance from the carrier and let the carrier deny or accept the claim, based on the information you provide. That way you can advise the injured employee that the claim was accepted or denied from the carrier and not by you. ■

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loss of benefits if they fail to report an injury in a timely manner. Tell them that they and you are under the same workers' compensation law and standard and what your and their responsibilities are under that law. Finally, tell them how safe and efficient work practices reduce their risks for injury while providing a positive, proactive work environment and safety culture.

These are but a few suggestions to get all of your departments, including safety, talking to each other and working together. Commit to making safety a value and not just a priority. Reduce the hazards and risks that expose employees to injuries and your injuries will go down, providing direct savings in workers' compensation dollars. Other benefits, such as reduced down time, reduced overtime due to employee absenteeism, reduced regulatory issues, improved employee morale, improved overall performance and productivity and improved profits, will follow. ■

Fatal Injuries Drop Slightly

The number of fatal work injuries in the U.S. dropped about 1 percent in 2005, according to the Bureau of Labor Statistics' (BLS) annual census of fatal occupational injuries. Although the census, released in August, found a decrease in overall fatalities, fatalities among younger workers (under 20 years of age) increased about 18 percent from 2004.

Carbon Monoxide Poisoning Deaths Are Largely Preventable

The Census of Fatal Occupational Injuries also reported that 39 workers died of exposure to carbon monoxide poisoning, which is largely preventable. The Occupational Safety and Health Administration (OSHA) says workers in the following occupations are most likely to encounter harmful levels of carbon monoxide: welder, garage mechanic, firefighter, carbon-black maker, organic chemical, synthesizer,

metal oxide reducer, longshore worker, diesel engine, forklift operator, marine terminal worker, toll booth or tunnel attendant, customs inspector, police officer, taxi driver. Those who work in spaces heated by portable heaters or wood stoves are also at risk, as well as those who work with small gas engines or generators in enclosed spaces. Learn more about preventing and recognizing carbon monoxide poisoning in the article on P. 3.