

Employee Benefits Report



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Ten Ways to Cut Workers' Comp Costs

Workers' compensation costs the average employer \$1.33 per \$100 of payroll. That might not sound like much, but one or two injuries can send your costs skyrocketing. Here are some pointers to keep those costs under control.

- 1 Check occupational class codes on your policy for accuracy. Workers' compensation insurers base premiums on occupational class code, which reflects the relative hazards of occupations in your main industry. If your code is incorrect, you could be paying too much.
- 2 Check your experience modification for accuracy. If you have more than a "minimum premium" policy (more than \$2,500 or \$5,000 in annual premium, depending on the state), the insurer will experience-rate your coverage. This means it will adjust your premiums based on your organization's past claims experience—the more claims, the higher your premiums. A factor of 1 indicates your experience is average; your premiums won't change. A factor higher than 1 indicates worse than average experience; you will pay more for

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This Just In

Earlier this year, the Occupational Safety and Health Administration (OSHA) withdrew a proposed interpretation that would have clarified the term "feasible administrative or engineering controls" as used in OSHA's noise standard. The proposed interpretation was published in the Federal Register on Oct. 19, 2010. The agency extended the public comment period through March; as of this writing, it had not released a new interpretation.

"Hearing loss caused by excessive noise levels remains a serious occupational health problem in this country," said Dr. David Michaels, assistant secretary of labor for occupational safety and health. "However... [w]e are sensitive to the possible costs associated with improving worker protection and have decided

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coverage than the average employer in your occupational classification. A factor lower than 1 indicates better than average experience; your premiums should drop.

3. Review your workers' compensation loss history at least once a quarter. This can help you spot recurring safety and health problems and correct them. You can also correct any discrepancies before they become part of your experience modification and affect your rates.
4. Have your claims administrator review your claim reserves at least once a quarter. Do they seem reasonable for the type and severity of the injury? If not, discuss it with your insurer. Make sure your experience modification is recalculated whenever reserves drop.
5. Prevent injuries by pre-screening applicants for jobs that require physical exertion, such as lifting, or certain physical characteristics, such as sharp vision or hearing. Test their abilities by cre-

to suspend work on this proposed modification while we study other approaches to abating workplace noise hazards."

Thousands of workers every year continue to suffer from preventable hearing loss due to high workplace noise levels. Since 2004, the Bureau of Labor Statistics has reported that nearly 125,000 workers have suffered significant, permanent hearing loss. In 2008 alone, BLS reported more than 22,000 hearing loss cases, and Michaels emphasized that OSHA remains committed to finding ways to reduce this toll.

For more information on workers' compensation and hearing loss, please see P. 3.

ating situations similar to what they will encounter on the job. (To avoid charges of discrimination on the basis of disability, you should make a conditional offer of employment before testing!) For jobs requiring strenuous physical activity, you might also want to require a physical exam.

6. Check with trade associations and other business groups. Are you a member of an industry association or other business group, such as a chamber of commerce? Many groups arrange for discounted coverage; your membership might make you eligible.
7. Prepay premiums. Many insurers will give discounts for prepayment.
8. Give managers incentive to focus on safety. Track claims activity and safety violations by department and link managers' compensation to the achievement of safety goals within their department.
9. Give employees incentives for safety, too. Award bonuses for achieving a certain number of accident-free days, or to employees who suggest ways to improve safety.
10. Provide modified-duty jobs to partially disabled employees to get them back to work quickly after an injury.

For more suggestions on improving safety and controlling costs, please contact us. ■



Have You Heard? The Dangers of Noise

Noise-induced hearing loss is one of the greatest occupational health threats in the United States — a silent threat that can go unnoticed because it develops over time, there are no visible effects and except in very rare cases, there is no pain.

Approximately 30 million workers face occupational exposure to noise levels that could damage their hearing. Noise isn't the only source of occupational hearing loss, however. Occupational exposure to chemicals and metals puts an additional 9 million at risk. At present exposure limits, one in four will develop a permanent hearing loss as a result of their occupational exposure to these hazards.

Occupational vs. Age-Related Hearing Loss

Workers' compensation will pay claims for loss of hearing, if it is caused or likely caused in the course of work. When faced with a hearing loss claim, employers might question whether workplace exposure, or just old age, caused the hearing loss. It's true that most people's hearing gets worse as they get older. But for the average person, aging does not cause impaired hearing before at least age 60. People who are not exposed to noise and are otherwise healthy keep their hearing for many years.

People who are exposed to noise and do not protect their hearing begin to lose their hearing at an early age. For example, by age 25, the average carpenter has the same hearing as someone who is 50 years old and has worked in a quiet job. Of the 28 million Americans who have some degree of hearing loss, about one-third can attribute their hearing loss, at least in part, to noise.

Noise-induced hearing loss (NIHL) results when loud noise damages the nerve cells of the inner ear. NIHL can occur with a single exposure to an extremely loud noise, such as an explosion, or with repeated exposure to sounds at various volumes over an extended period of time. NIHL is 100 percent preventable, but once acquired, hearing loss is permanent and irreversible.



Sound levels are measured in units called decibels (dB). To give you some comparisons, the rustle of leaves measures 10 decibels; normal conversation about 60 decibels; and city traffic noise can reach 80 decibels. Sounds of less than 80 decibels, even after long exposure, are unlikely to cause hearing loss.

Is there an easy way to tell if you might have a noise problem?

There are two rules: First, if you have to raise your voice to talk to someone who is an arm's length away, then the noise is likely to be hazardous. Second, if your ears are ringing or sounds seem dull or flat after leaving a noisy place, then you probably were exposed to hazardous noise.

What Are Employers' Responsibilities?

OSHA requires employers to accurately identify employees exposed to noise levels at or above 85 decibels (dB) averaged over eight working hours. You do this by testing and mapping noise levels. The employer must notify each employee who is exposed at or above the

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action level of the results of the monitoring.

Employers that have any workers whose noise exposure meets or exceeds these levels must develop a hearing conservation program for them. (Employers whose workers do not meet this threshold can develop a voluntary hearing conservation.) To satisfy OSHA requirements, this program must include annual monitoring, audiometric (hearing) testing, hearing protectors, training and recordkeeping.

Noise Not the Only Risk Factor

As we said earlier, exposures to chemicals and other substances can also cause hearing loss. Combined exposures to noise and chemicals can cause more hearing loss than exposure to either agent alone. Vibration and extreme heat are also potentially harmful to hearing when combined with noise.

Some of the more common substances associated with hearing loss are:

Tobacco

Toluene — found in paints, thinners, rubbers and printing operations

Styrene — found in plastics, rubbers, resins, insulating materials

Carbon disulfide — found in the textile industry and insecticides

Trichloroethylene — a solvent for cleaning metal parts

Xylene — found in the paint and lacquer industry

Lead, arsenic, mercury

Carbon monoxide — occurs as a byproduct of combustion

Workers exposed to any of these substances face a higher risk of occupational hearing loss than their exposure to noise alone would create. Employers whose workers contact these substances will likely want to implement a hearing conservation program, whether or not noise levels require one.

In our next issue, we'll cover some of the specific action steps you can take to reduce hearing loss and deal with hearing loss claims. ■

Workers' Comp and the Road Warrior

What you might have suspected is true: frequent business travel is bad for health. Workers who travel extensively for business report higher rates of poor health and risk factors such as obesity and high blood pressure, found a study recently published in the *Journal of Occupational and Environmental Medicine*.

For the study, researchers from Columbia University looked at health data for 13,000 members of a corporate wellness program. Extensive travelers, or those who logged more than 20 nights away from home per month, were 260 percent more likely to rate their health as fair to poor, compared to light travelers. They also had higher blood pressure and obesity rates.

The vast majority of people in the study, 80 percent, traveled at least one night per month. Interestingly, those who did not travel at all reported worse health than light travelers (one to six nights per month), possibly because individuals in poor health would be less likely to travel than healthy ones.



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To what extent do employers have responsibility for the health of their workers who travel frequently for business?

Workers' compensation generally limits coverage for "occupational diseases" to those peculiar to the work, such as asbestosis or silicosis. It does not cover the diseases of everyday life, even if contracted at work. And it doesn't cover diseases that arise from health risks due to the stresses of frequent travel, such as diabetes or heart attack.

Still, unhealthy workers take a financial toll on your business. Encouraging your workers to maintain healthy habits while on the road can prevent absences, illnesses and the resulting lost productivity. Here are some suggestions on helping your road warriors stay healthy:

- 1 Consider using technology. Can you use web conferencing or other technology to take the place of some face-to-face meetings?
- 2 Look at business travel arrangements. Does your firm require or encourage business travelers to stay at certain hotels? Do these hotels have health-friendly facilities, including an adequately equipped fitness center, a pool and a restaurant with healthy menu options?
- 3 Reinforce the importance of safe driving. Contrary to the image of the road warrior rushing through the airport to catch a flight, trips in the traveler's personal auto account for 81 percent of business trips. If you have frequent business travelers, consider enrolling them in a defensive driving course and requiring their vehicles to undergo an annual safety inspection.

4 Make fitness easier. Many business travelers find it difficult to fit exercise into their schedule when on the road. Consider having a personal trainer teach business travelers fitness routines they can easily do in a hotel room with minimal or no equipment.

5 Ensure you have coverage for employees who travel outside the U.S. Although most workers' compensation policies limit coverage to injuries or illnesses that occur in the U.S., its territories or Canada, most states will extend benefits to workers injured outside their borders, as long as they were hired in that state or had their principal workplace in that state and are working outside that territory only temporarily. Before sending an employee abroad on a business trip, however, you will want to check whether your state provides extra-territorial coverage.

For workers who travel abroad frequently or who will be stationed overseas for more than a short-term visit, you will need a separate foreign workers' compensation policy. These policies will

When Is a Traveling Worker on the Clock?

For employees covered by the Fair Labor Standards Act (FLSA), time spent traveling is hours of work if:

- * the employee is required to travel during regular working hours (i.e., during the regularly scheduled administrative workweek);
- * the employee is required to work during travel;
- * the employee is required to travel as a passenger on a one-day assignment away from the official duty station; or
- * the employee is required to travel as a passenger on an overnight assignment away from the official duty station during hours on non-workdays that correspond to the employee's regular working hours.

The FLSA generally exempts executive, administrative, professional and outside sales employees who are paid on a salary basis from both the minimum wage and overtime provisions of the FLSA. For a detailed list of exempt employees, see the U.S. Department of Labor's website at www.dol.gov/elaws/esa/flsa/screen75.asp. ■

The Toll of Travel

Americans took approximately 431 million business trips in 2010, down from the peak of 511 million in 2007. The National Business Travel Association Foundation projects business travel to grow 31 percent in 2012 "as the economy continues to recover and travel restrictions are lifted." ■

cover your employees for work-related injuries incurred overseas; some will also cover injuries incurred on personal time while on an overseas business assignment. Look for a policy that covers medical evacuation services, which can cost \$50,000 or more.

- 6 Know the health risks in foreign countries your employees will visit. Check the Center for Disease Control's Web site, www.cdc.gov/travel, for updated country-specific health risk information for workers traveling outside the U.S. and Canada.
- 7 Evaluate political/terrorism risks for overseas travelers. The U.S.

State Department issues Consular Information Sheets for every country of the world with information on such matters as the health conditions, crime, unusual currency or entry requirements, any areas of instability, and the location of the nearest U.S. embassy or consulate in the subject country. Travelers should also check the State Department's current list of travel advisories before leaving at www.state.gov/travel.

For more suggestions on keeping your traveling workers safe and healthy, please contact us. ■

How Loud Is That Noise?

No Danger (0-80 dB)

Threshold of audibility-0
Residential area at night-40
Quiet business office-50
Automobile, at 20 meters-50
Heavy traffic 80

Discomfort Level (>80 dB)

Semi-trailers, at 20 meters-90
Chain saw, pneumatic drill-100-105

Produces Pain (120+ dB)

Tractor without cab-120
Jet during takeoff, at 20 meters-130

Under OSHA regulations, businesses must identify employees exposed to noise levels at or above 85 decibels (dB) averaged over eight

working hours. This is done by testing and mapping noise levels.

Workers exposed to noise levels above 85 dB must comply with strict exposure limits as detailed in the table below.

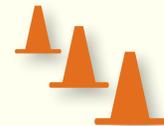
| Noise | Time | Exposure |
|--------|------|----------|
| 85 dB | | 8 hours |
| 88 dB | | 4 hours |
| 91 dB | | 2 Hours |
| 94 dB | | 1 Hour |
| 97 dB | | 30 mins |
| 100 dB | | 15 mins |
| 103 dB | | 7.5 mins |
| 106 dB | | < 4 mins |
| 109 dB | | < 2 mins |
| 112 dB | | < 1 min |

The employer must notify each employee who is exposed at or above the action level of the results of the monitoring. Employers that have any workers whose noise exposure meets or exceeds these levels must develop a hearing conservation program for them.

To satisfy OSHA requirements, this program must include annual monitoring, audiometric (hearing) testing, hearing protectors, training and recordkeeping.

For more information on the dangers of noise in the workplace, please see P. 2. ■

Workers' Comp & Safety News



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