

Workers' Compensation

COST SAVINGS THROUGH LOSS PREVENTION

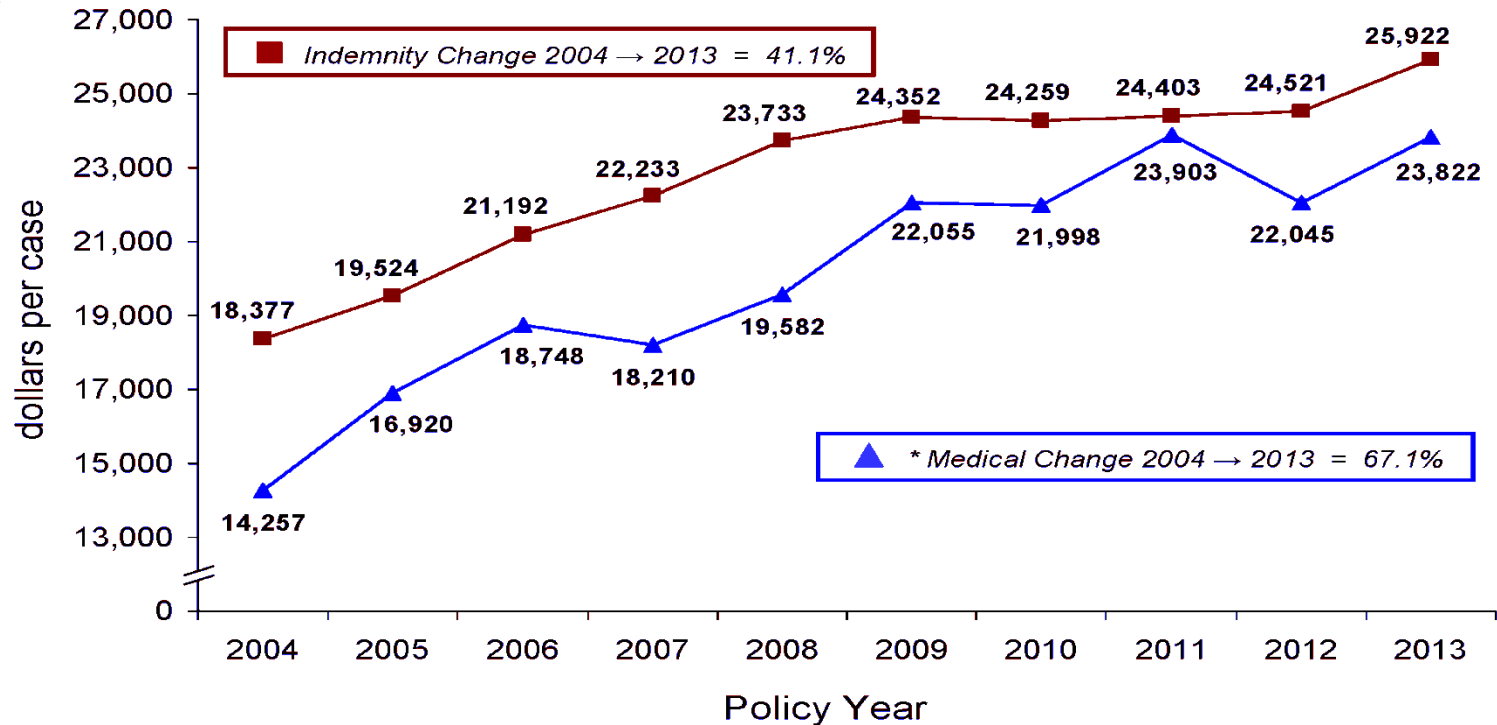
James A. Clancy, *Manager – Loss Prevention*
November 14-15, 2017

What is Loss Prevention?

The **elimination** or **reduction**
of **hazardous conditions**
with the goal of
preventing losses

New Jersey Workers' Compensation

Average Cost Per Case



*Excludes Medical Only

Policy Years 2010 through 2013 are developed to 5th Report

Source: New Jersey Compensation Rating & Inspection Bureau

<https://www.njcrob.com/PremiumlessExperience/NJ%20WC%20BY%20Average%20Cost%20Per%20Case.pdf>

Distribution of Work-Related Fatalities by Top Five Occupation Groups*

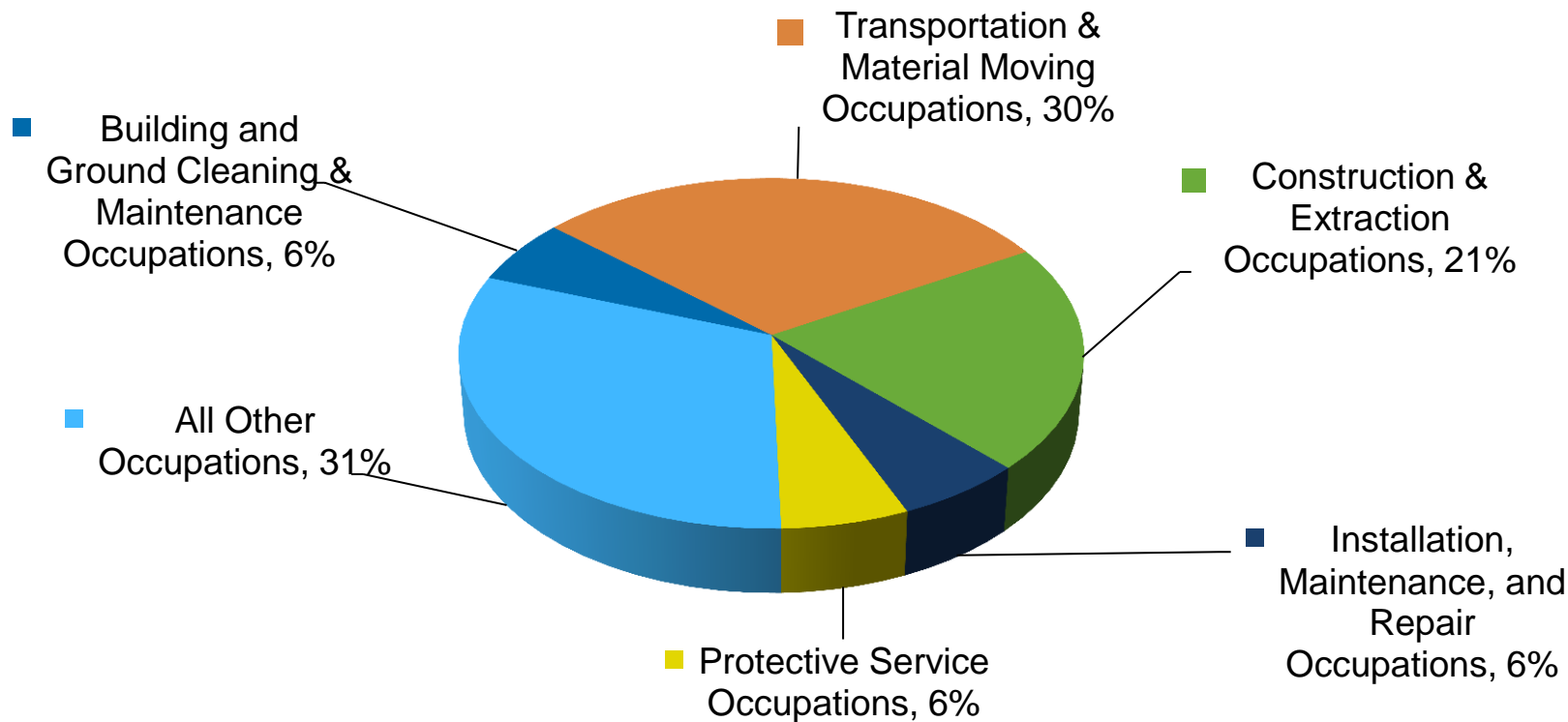
The **largest proportion of workplace fatalities** (30%) occurred in the **Transportation & Material Moving** occupations in New Jersey from 1990-2013.

*Based on 2010 Standard Occupational Classification (SOC)
Source: NJ Fatal Occupational Injuries Surveillance Project
New Jersey Department of Health

Distribution of Work-Related Fatalities

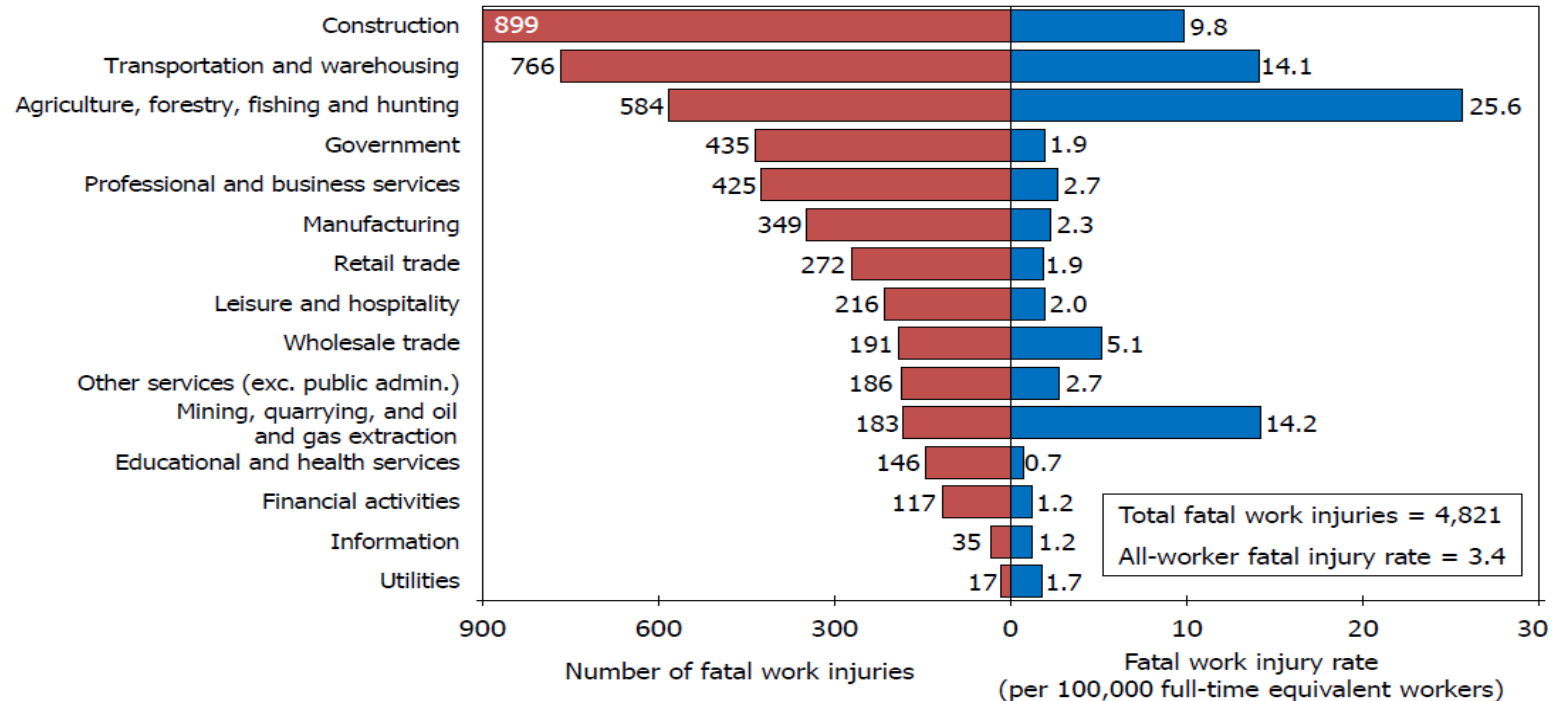
by Top Five Occupation Groups*

New Jersey, 1990-2013



*Based on 2010 Standard Occupational Classification (SOC)
Source: NJ Fatal Occupational Injuries Surveillance Project
New Jersey Department of Health

Number & Rate Of Fatal Occupational Injuries by industry sector, 2014



Private construction had the highest count of fatal injuries in 2014, but the private agriculture, forestry, fishing and hunting sector had the highest fatal work injury rate.

Data for all years are revised and final.

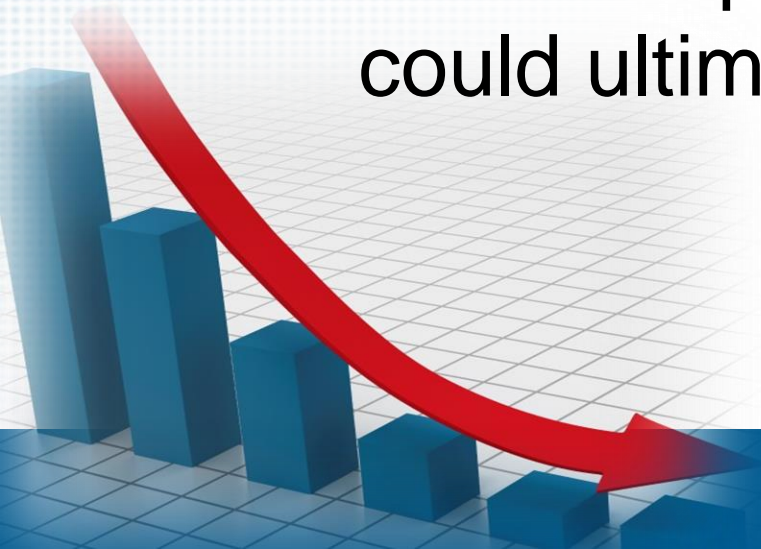
Note: Fatal injury rates exclude workers under the age of 16 years, volunteers, and resident military. The number of fatal work injuries represents total published fatal injuries before the exclusions. For additional information on the fatal work injury rate methodology, please see <http://www.bls.gov/iif/oshnoteice10.htm>.

Source: U.S. Bureau of Labor Statistics, Current Population Survey, Census of Fatal Occupational Injuries, 2016

Basic Philosophy

Accident prevention

is the **most direct** way to limit
Workers' Compensation (WC) losses and
could ultimately lower your premium.



Basic Philosophy



- WC premium based on rates applied to classification and payroll
- Premiums impacted by experience
- No claims = possible lower insurance costs

ELEMENTS OF A

Loss Prevention Program

Elements of a Loss Prevention Program



Management Commitment

Safety

- Written safety policy or mission/value statement
- Make safety a priority in your company
- Budget money for safety
- Follow-up on all recommendations
- Participate and be involved

Management Commitment

- **Designate** a risk manager, safety manager, etc.
- **Adopt** a “**Work Safely**” attitude
- **Establish** loss prevention goals
“**Zero Accidents**”



Employee Hiring & Training

Tools for developing employee safety awareness

- DVDs & streaming videos, consultants, mobile apps, etc.

Hire the **right person** for the job



Inspections/Audits



Importance

- Promote workplace safety and eliminate hazardous conditions
- Regular inspections help detect hazards
- Pay attention to trouble areas

We note
violations &
hazards...







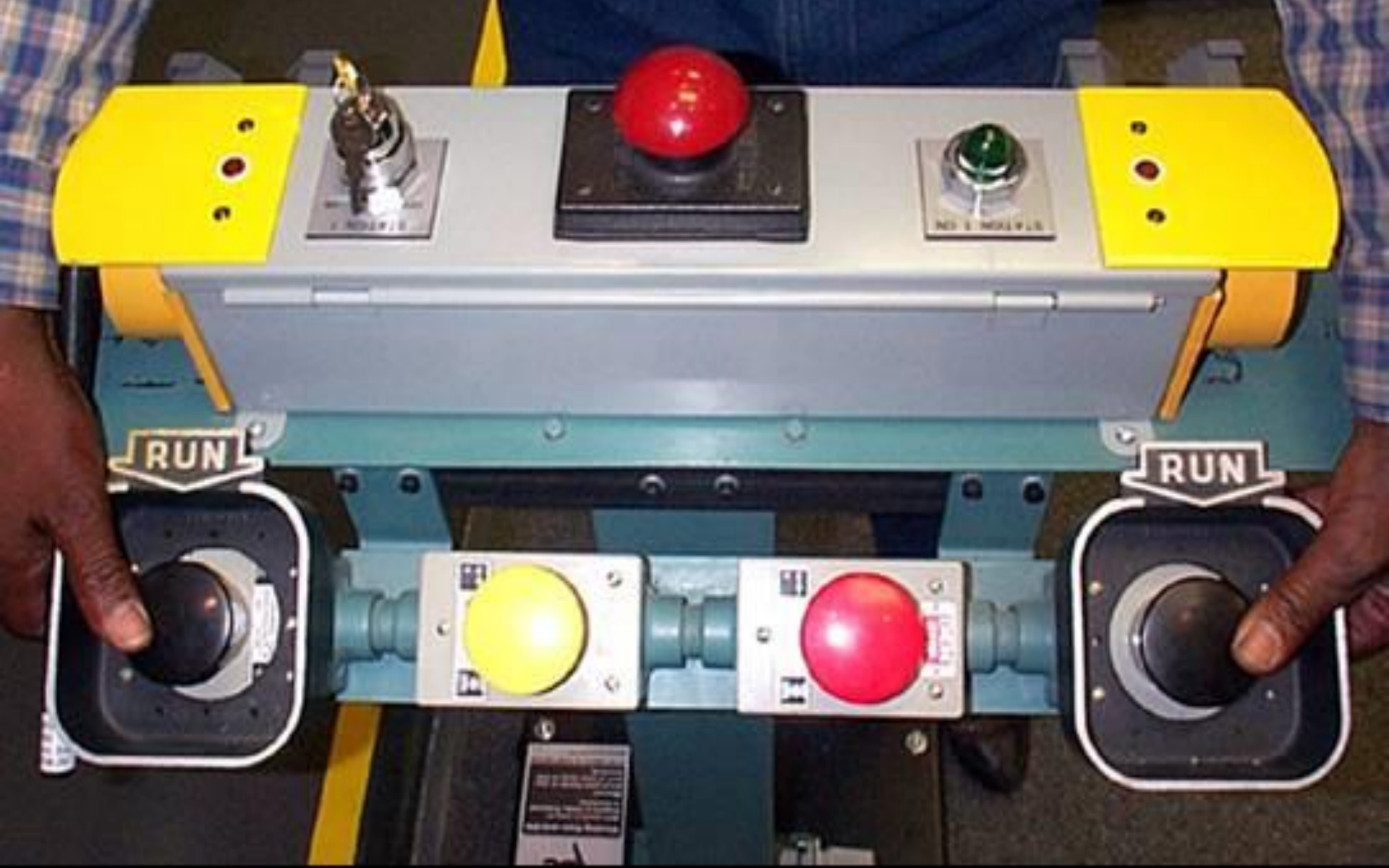
EXIT







We also **note the good...**







Accident Investigation

Accident Investigation

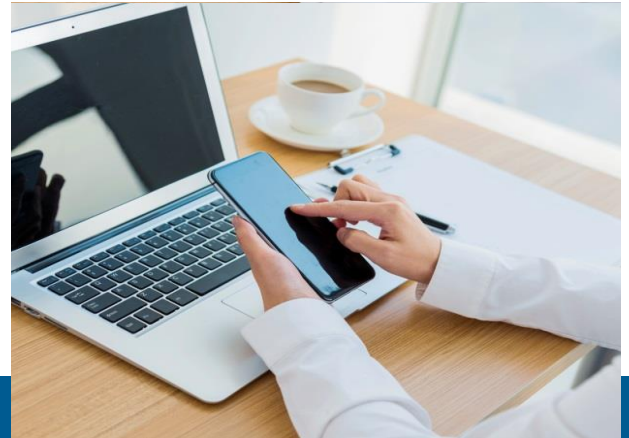
Plan ahead for potential incidents

- Determine where employees should be taken for medical care
- Inform employees they must follow authorized medical treatment program

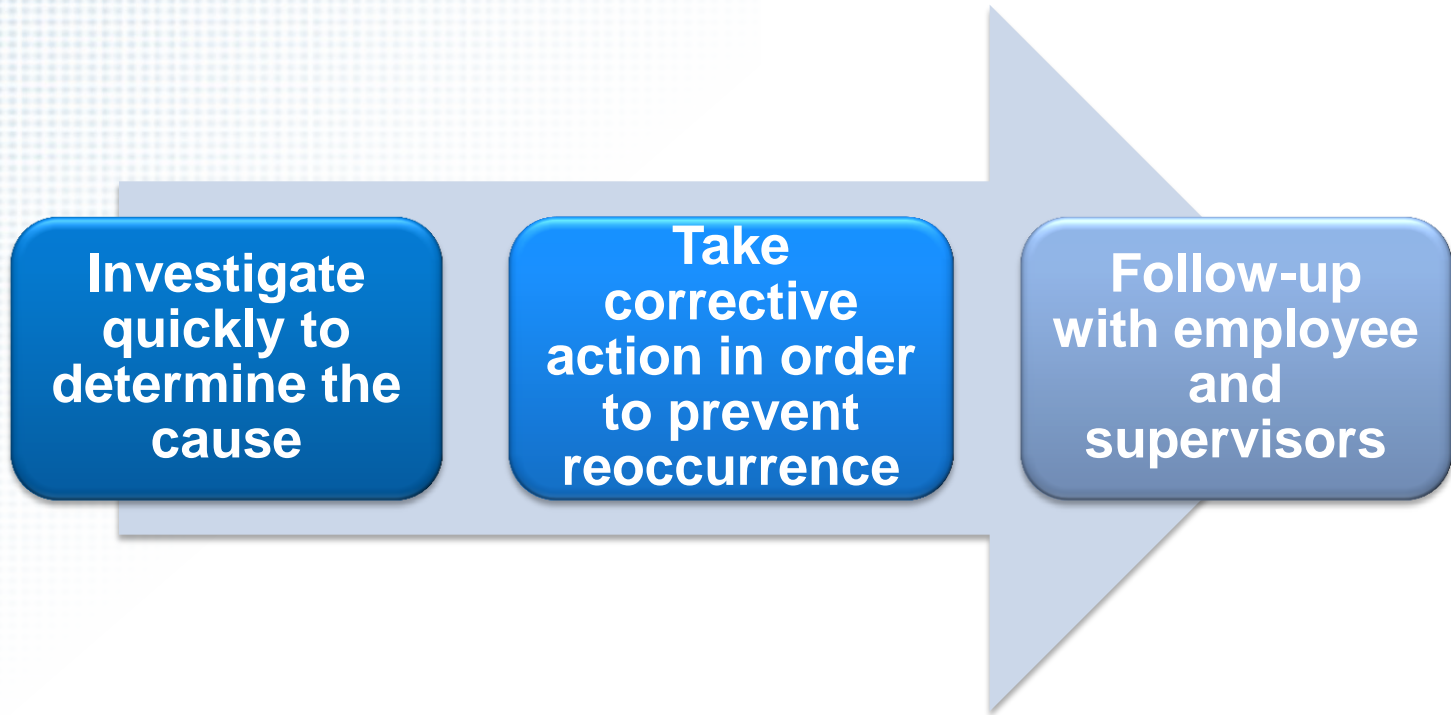


Accident Investigation

- **Secure medical** treatment for the employee
- **Immediately** report claim



Accident Investigation







Manage the Claim

Manage the Claim

- **Directed medical care** is employers' right under NJ WCA
- **Explain employees rights** and what to expect after a work injury
- **Employee medical bills** paid by employer under directed care
- **Compensation for lost wages** – 70% of wages while employee out of work receiving care
- **Good communication** expedites claim resolution

Manage the Claim

- Make **“Temporary Alternate Duty” (TAD)** available
- Develop a **“Job Bank”**
- Create **meaningful light-duty** assignments

Manage the Claim



- **Make doctor aware** that TAD is available
- **Communication is key** to successfully transitioning the employee back to work!

Manage the Claim



Be aware

Suspect fraud?

Contact your WC carrier

Insurance fraud increases costs

Loss

Prevention Resources

Loss Prevention Resources

- Safety DVDs, online streaming/training
- Blogs and safety websites (i.e. osha.gov)
- Review new laws/standards that

apply to your industry

- Maintain a monthly safety activity planner



Loss Prevention Resources

- Safety posters
- Current event articles, newspapers, magazines, etc.
- On-the-job/off-the-job safety information



What are we looking at?















Old Reliables ...

Asbestos



Lead



Current Loss Prevention Issues

OSHA

Electronic Recordkeeping



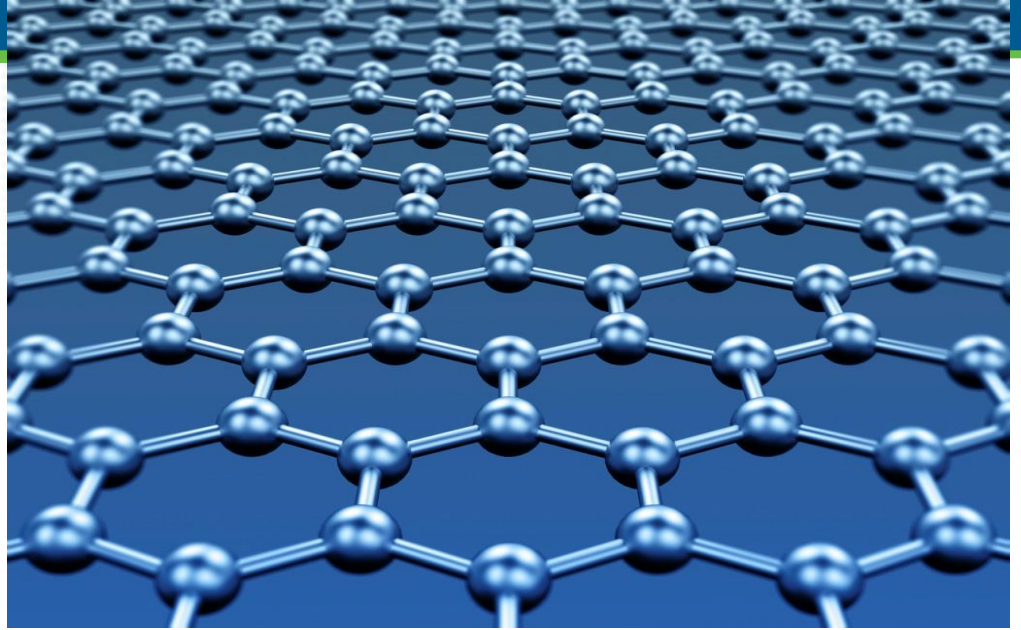
OSHA Silica Rule



Globally Harmonized System (GHS)



Nanotechnology

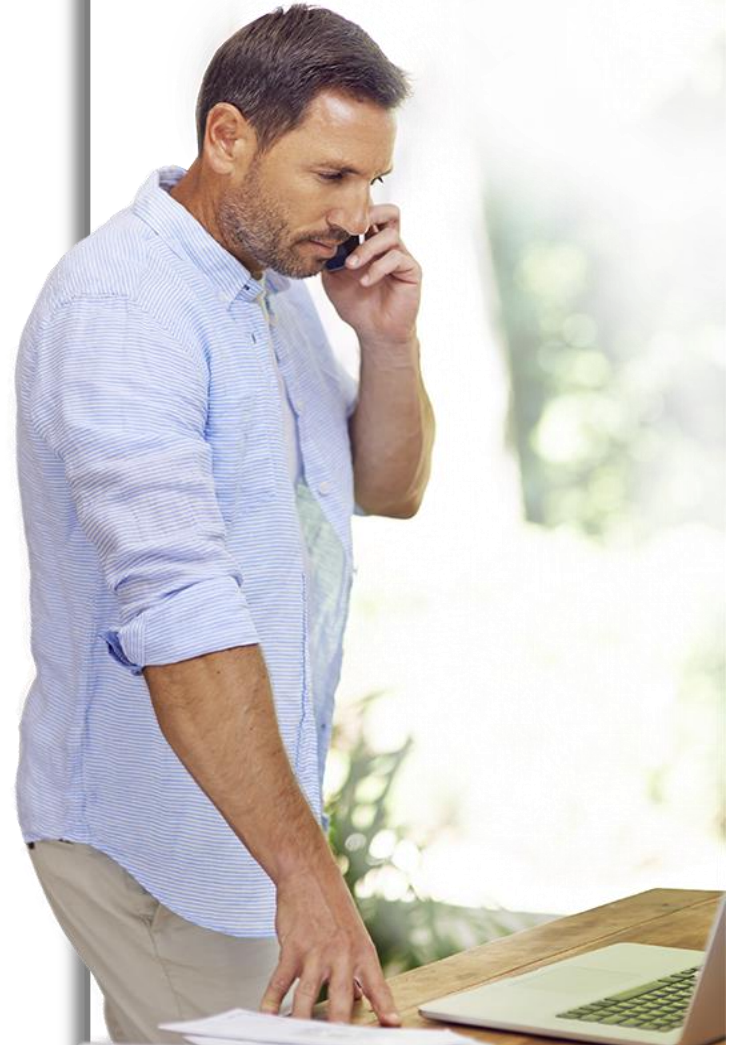


Medical Marijuana in the Workplace



Additional Resources

- **NJ State Safety Council**
Cranford, NJ
- **National Safety Council**
Itasca, IL
- **NJ Consultation Service**
Trenton, NJ





Loss Prevention

For more information:

njm.com

1-609-883-1300 Ext. 6401