

Invest in Risk Control

Workers' Compensation premiums are at their lowest rates since 2002. Many factors have caused this slide in the cost of Workers' Compensation insurance but the fact is the bottom line for employers is improving. History has shown that the insurance market is a cyclical one. Insurance companies factor in your loss history when calculating rate credits so now is a good time to take advantage of the low premiums and re-invest in your safety program.

A small investment toward your safety program can realize a tremendous return. Generally speaking, companies having excellent safety program have the following in common:

- **Hold key managers and supervisors accountable for safety.** This can be as simple as having each manager/supervisor include a short discussion of safety activities at management meetings. Activities lead to results! All organizations should have a safety element as part of their performance evaluation – the more weight put on the safety element means the more time managers will dedicate toward safety. Treat safety equally with production and quality.
- **Establish safety goals and objectives.** Managers should have a clear understanding of measurable safety related goals and objectives. Progress charting should be posted identifying the results and some form of reward and recognition be given when the goals or objectives are met.
- **Spend additional time with new worker safety orientation.** OSHA statistics show that the majority of employee injuries happen within the first 6 months of employment. Make sure your orientation includes a thorough discussion of the safety rules. Insist that your supervisors carefully observe new workers to ensure they know and practice these rules.
- **Enforce your safety rules.** Don't let your supervisory staff walk past rule infractions. The first step in correcting an unsafe behavior is to have the direct supervisor "coach" the worker toward the desirable behavior.
- **Investigate all employee injuries.** Learn the root cause factors of both accidents and incidents and take the necessary corrective actions. A thorough investigation can identify conditions and practices that can lead to other downgrading events that affect production and quality. Also, take a deep look at the hidden costs of accidents. Lost time spent to recover or repair damage to equipment, cost of legal council, etc. The hidden cost will generally be many times more than the actual cost. Ask your managers to provide you a cost analysis of the actual hidden costs following an employee injury.
- **Increase employee training effectiveness.** Build in more active learning techniques into your training sessions. Passive learning gives only minimal retention for workers who soon forget the message. Get everyone (managers, supervisors and workers) more involved in the training process. Check out "cone of learning" on any search engine.

All this should sound familiar as they are elements of the California OSHA Injury and Illness Prevention Plan (IIPP) requirements. However, none of the above bullet points

work automatically just by publishing a company IIPP. Indeed, you may be able to get past your legal requirement to have an IIPP but it will not be very effective.

High levels of skill, education and proficiency come as the result of focused activity. Organizations with minimal injury frequency spend the necessary time to prepare their most valuable resources – managers, supervisors, and workers – on the responsibilities needed to obtain a safe work environment

Consider reinvesting some of your Work Comp premium savings back into your safety program. In a couple of years when the “soft market” returns and premiums begin to increase, you will be ready to gain the maximum insurance premium credits making you more competitive in your market segment. In addition, a safe and injury free workplace is a productive workplace which includes a quality product or service. You can't lose.