



Workers' Compensation & Risk Management

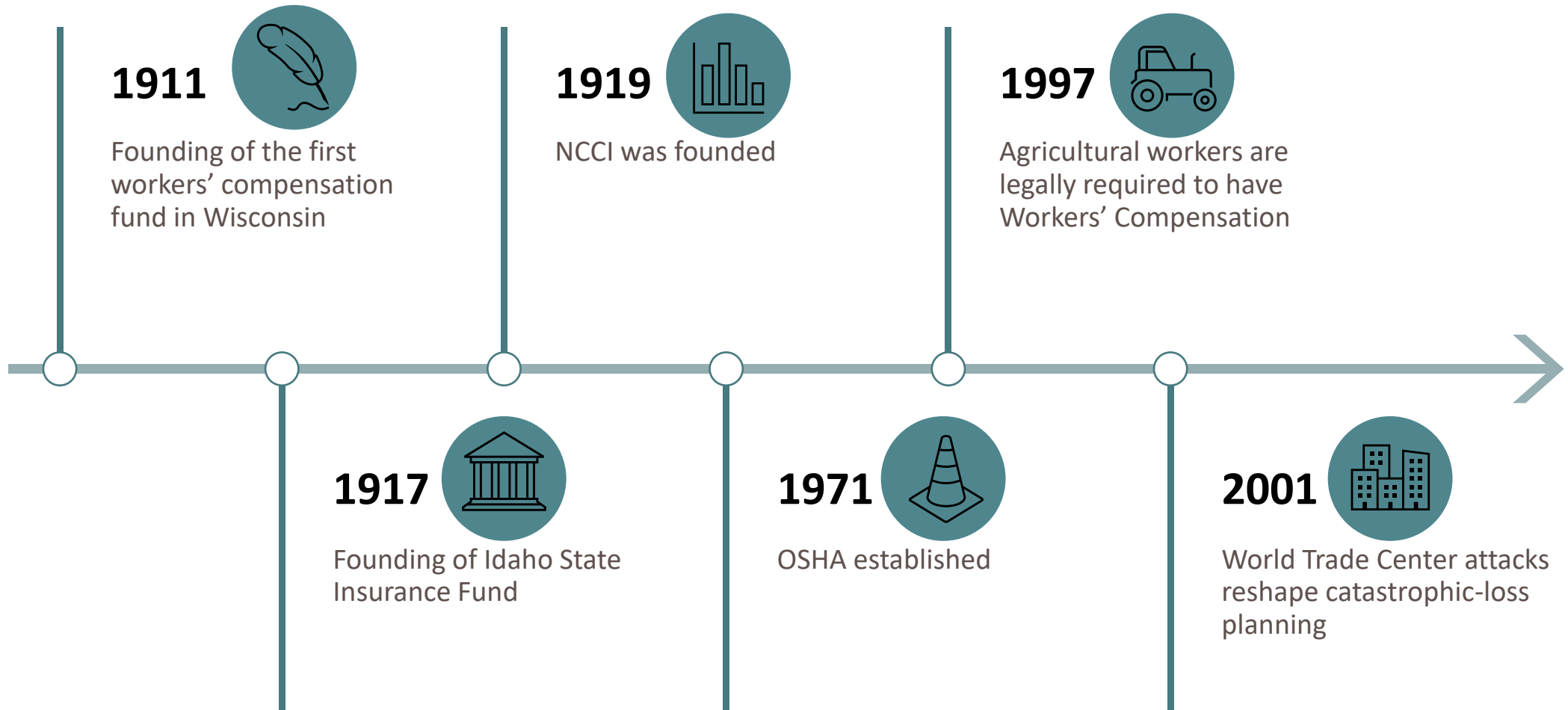
Joseph Hendry, CSP, CIT



Basics of Workers' Compensation Insurance



A Brief History of Workers' Compensation





Workers' Compensation: A No-Fault System

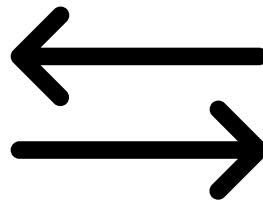
EMPLOYER

- Accepts liability
- Financial & asset protection
- Minimizes time spent on claims



EMPLOYEE

- Gives up right to sue
- Receives wage-loss benefits
- Receives medical and rehab benefits



What Determines Premium?

Manual (Base) Premium

Payroll + class codes establish the starting point.

Experience Mod

Compares actual losses to expected losses.
1.00 = expected; above or below adjusts premium.

Schedule Rating

Individual risk characteristics may further adjust pricing.



Payroll & Class Codes



Experience Mod



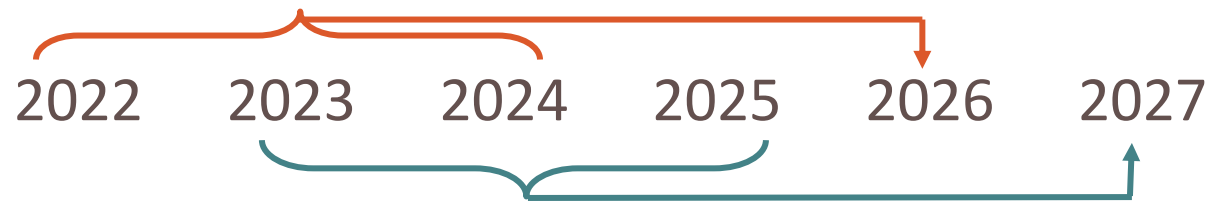
Schedule Rating



Final Premium

Effect of Experience Modification

Past Experience	Premium	E-Mod	You Pay
Worse than Average:	\$10,000	1.10	\$11,000
Average:	\$10,000	1.00	\$10,000
Better than Average:	\$10,000	0.90	\$9,000



Loss years used for future e-mod calculation

The Hidden Costs of Workplace Injuries

Direct Costs

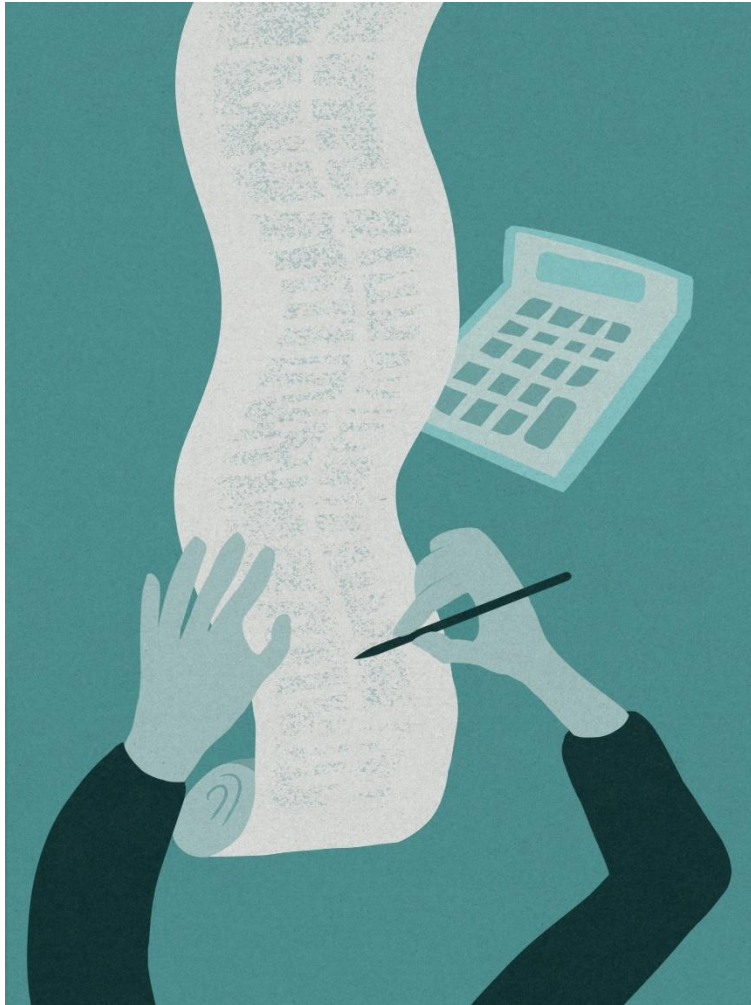
- Medical
 - Workers' Compensation premiums
-

Hidden Costs

- Productivity: downtime, delays, overtime
- People: morale, hiring/training, supervisor time
- Property: tools/equipment damage
- Reputation/Admin: public image, investigation



The True Cost of a Workplace Injury



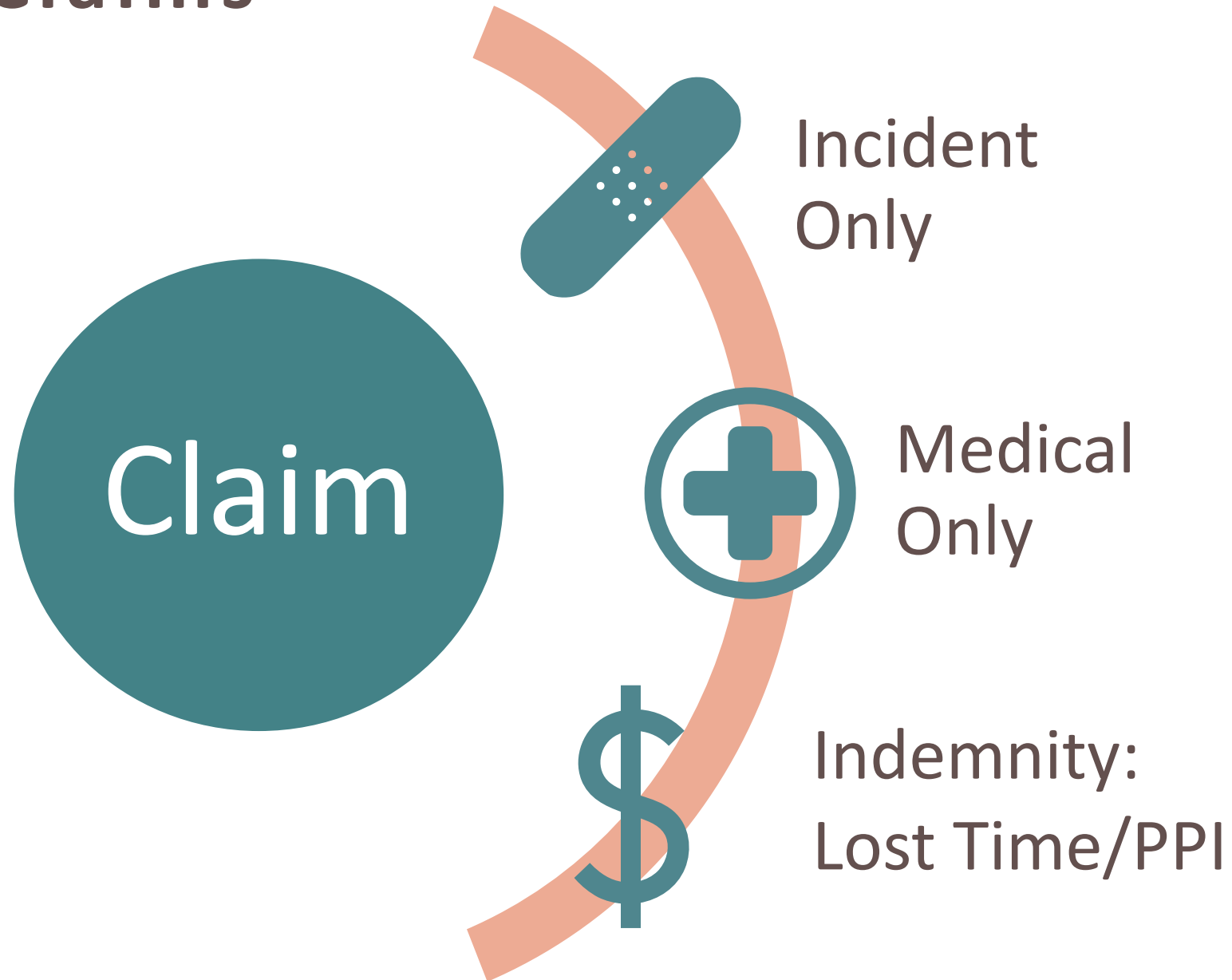
\$250,000 Direct Cost

x4 Hidden Cost
Multiplier*

=\$1,000,000 Total
Impact

*Example multiplier

Types of Claims



E-Mod & Claims

Claim Type	E-Mod Impact
Medical Only	30% of claim cost used
Indemnity	100% of medical + indemnity payments used

\$10,000 medical-only claim → **\$3,000** used

\$10,000 indemnity claim → **\$10,000** used

**Medical-only claims receive
a 70% e-mod reduction;
indemnity claims do not.**

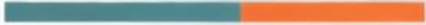




Return to Work & Modified Duty

- Shows employees they are **valued**
- Supports faster **recovery**
- Builds **teamwork** and loyalty
- Reduces **E-Mod** costs

Modified duty keeps
employees engaged and
reduces claim costs.



Why Incidents Happen & The Human Factor



OSHA's 2025 Most-Cited Standards

01

Fall Protection –
General
Requirements



02

Hazard
Communication



03

Ladders



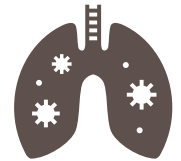
04

Control of Hazardous
Energy (LOTO)



05

Respiratory
Protection



06

Fall Protection -
Training
Requirements

07

Scaffolding

08

Powered Industrial
Trucks

09

Personal Protective
and Lifesaving
Equipment

10

Machine Guarding

Most violations involve fall protection, communication, equipment and PPE.

Basic Principles of Safety

98% of accidents have controllable causes

Contributing factors:

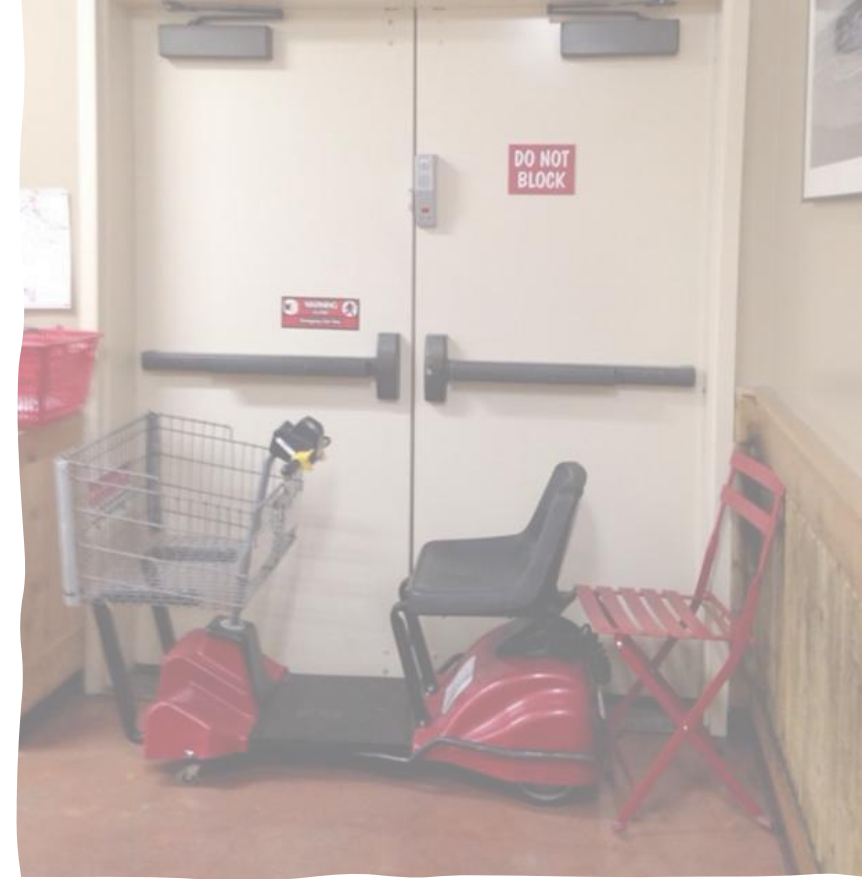
- Unsafe behavior
- Unsafe condition
- Combination of both

What are the other 2%?

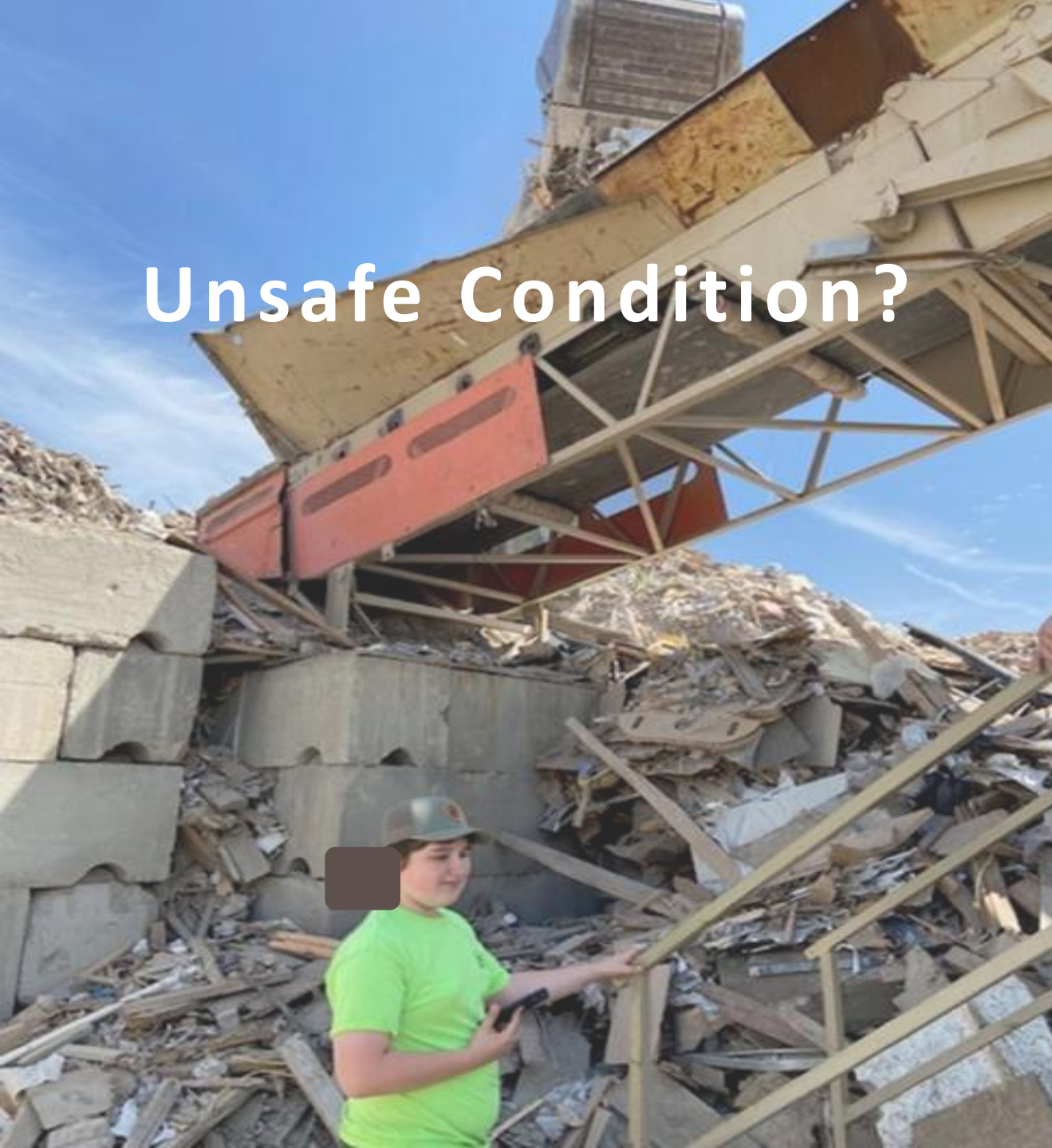


Unsafe Behavior? Unsafe Condition?

What contributing factors do you see?



Unsafe Condition?



Unsafe Behavior?





Unsafe Behavior

- 9 out of 10 accidents are the result of unsafe behavior or things we do when we know better
- We have more to fear from our own actions than from any other job hazard around us

Why We Take Risks

- **Production pressure:** “I just need to get it done.”
- **Risk normalization:** “I’ve done this before.”
- **Optimism bias:** “It won’t happen to me.”



The Accident Triangle



Near misses provide opportunities to prevent more serious injuries

Safety Principles



Ownership: Accident prevention is everyone's responsibility



Hazard Control: Eliminate or minimize hazards



Leadership: Supervisors drive the safety program



Impact: Prevention protects people, productivity and cost

Safety works when everyone participates.



Contributing Factor: The supervisor

- Incomplete instructions
- Rules not enforced
- Safety devices not provided
- Inadequate inspections
- Poor planning/too much haste
- Training gaps or lack of visible support



Contributing Factor: The employee

- Haste, shortcuts or taking chances
- Safety devices or equipment not used properly
- Rules ignored/horseplay
- Inattention or inexperience
- Poor body position or physical condition
- Unsafe actions by others/improper clothing

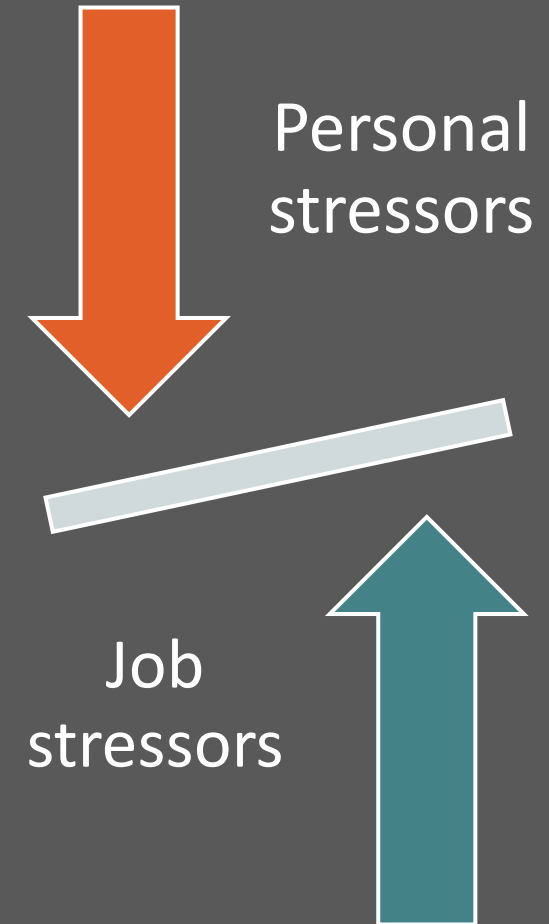


Contributing Factor: Physical conditions

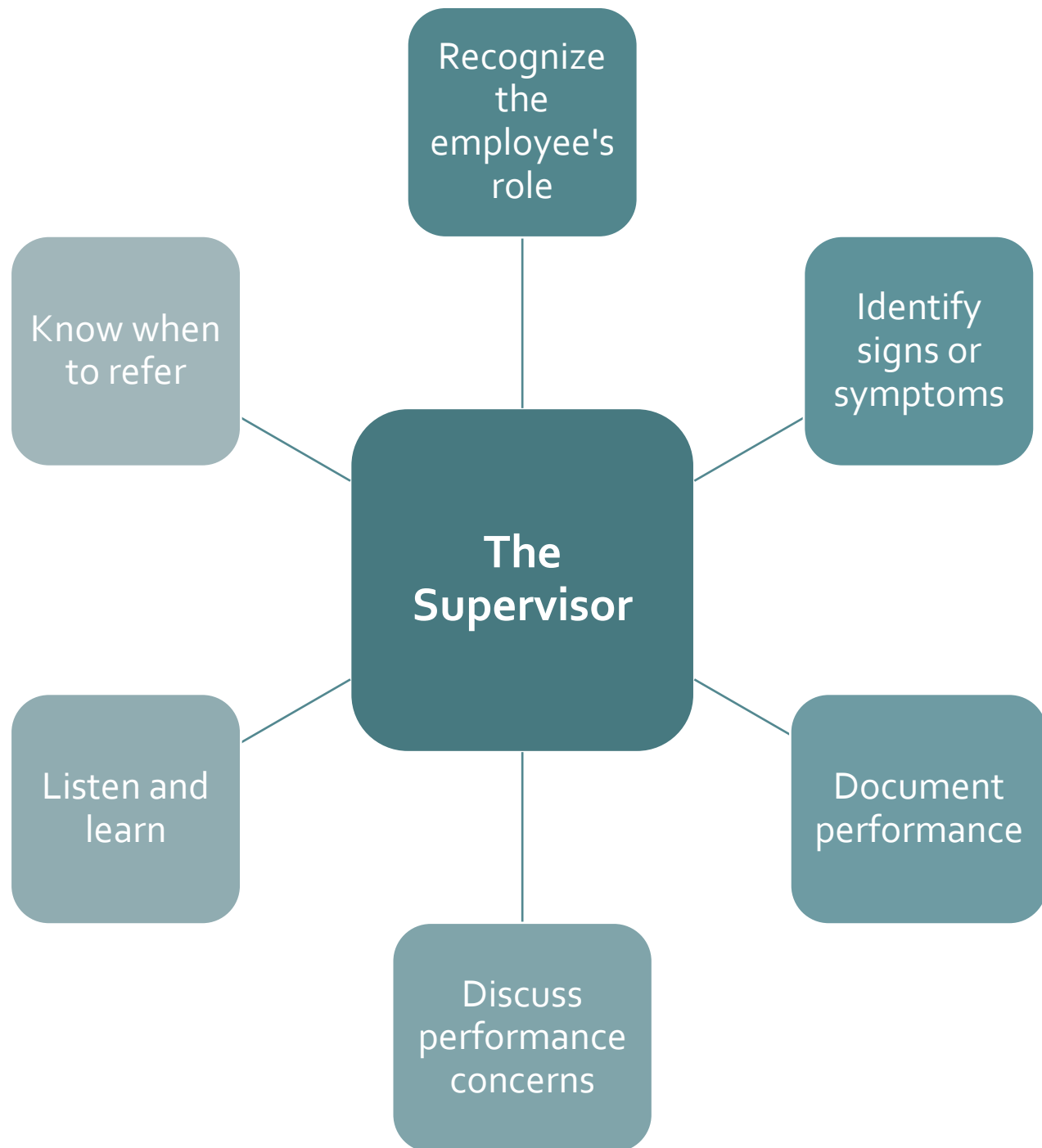
- Poor lighting or ventilation
- Congested or obstructed work areas
- Improper storage or stacking
- Slippery floors
- Scattered tools, equipment or materials
- Inadequate emergency exits or facility layout
- Unsafe conditions created by others

Human Factors Affect How We Work

- Our backgrounds, education and experience shape how we work
- We continuously learn – and sometimes must unlearn – habits
- Familiarity can lead to complacency
- Personal stress can affect us at work



The Supervisor's Role





Benefits of a Strong Safety Culture

A strong safety culture benefits employees, operations and the community.

- Safer, better working conditions
- Stronger employee relationships
- Higher morale and engagement
- Lower injury and operating costs
- Improved productivity
- Positive impact beyond the workplace

A Leader's Role in Workplace Safety



ESTABLISHING SAFE
WORK METHODS



PROVIDE CLEAR JOB
INSTRUCTION



ASSIGN WORK
APPROPRIATELY



OBSERVE WORK
PRACTICES



MAINTAIN
EQUIPMENT &
WORKSITE

Identify, Eliminate, or Control Hazards

- **Inspect** all operations, areas and facilities
- **Identify and correct** hazards or unsafe procedures
- **Involve employees** in finding Solutions
- **Document** findings and corrective actions
- **Follow up** to verify corrections are complete

CHECKLIST | BUILDING SAFETY

Presented by [R_Officialname]

Date:
Area:

Review conducted by:

Over the years, it is natural for a building to suffer from deterioration and aging processes. However, these should not be overlooked; if left untreated, such structural flaws could lead to an increased likelihood of disaster in the case of a natural disaster (earthquake, flood, tornado, etc.) or fatal accident (fire, chemical spill, gas leak). In addition, a lack of attention to a building's structural stability places both the building owner and occupant safety at risk. That being said, it is vital to be aware of the overall condition of your building. To ensure your building's safety, reputation and overall performance, take a look at the following structural checklist:

BUILDING EXTERIOR	YES	NO
Is the building's exterior in good condition?	☐	☐
Are all exterior lights working?	☐	☐
Do all sides of the building have proper drainage?	☐	☐
Are the exterior walls in good condition?	☐	☐
Are all windows closed and locked?	☐	☐
Have all paved areas been inspected for cracks?	☐	☐

CHECKLIST | ERGONOMICS WORKSTATION

Presented by [R_Officialname]

Date:

Review conducted by:

This checklist is designed to help you evaluate your computer workstation and your video display terminal (VDT) to prevent common stresses and injuries associated with use.

Q/Ask	YES	NO	N/A
Chair height (up/down) and backrest tension/angle are easily adjustable	☐	☐	☐
Chair is equipped with a padded seat and back cushion	☐	☐	☐
Front edge of seat pan is rounded and seamless	☐	☐	☐
Seat is at least 18" wide x 15" long	☐	☐	☐
Chair has non-slip upholstery with porous "breathable" fabric	☐	☐	☐
Backrest has height-adjustable lower back support	☐	☐	☐

CHECKLIST | COMPREHENSIVE SAFETY AND HEALTH INSPECTION

Presented by [R_Officialname]

For:

Date:

Conducted by:

This inspection checklist is designed to help facilitate a walking inspection of your area(s) of responsibility. Answer each question as it pertains to your area. Negative answers indicate a potential safety concern and must be addressed and corrected as necessary.

Calabu Administration

	Yes	No
Is the safety manual displayed in a prominent location?	☐	☐
Are safety posters posted where they can be readily found in case of an emergency?	☐	☐
Is there any toxic substances or harmful physical agents, has employee access to medical and exposure records and Safety Data Sheets made readily available to employees?	☐	☐
Are safety signs, such as room capacities, floor loading, biohazards, etc., posted where appropriate?	☐	☐

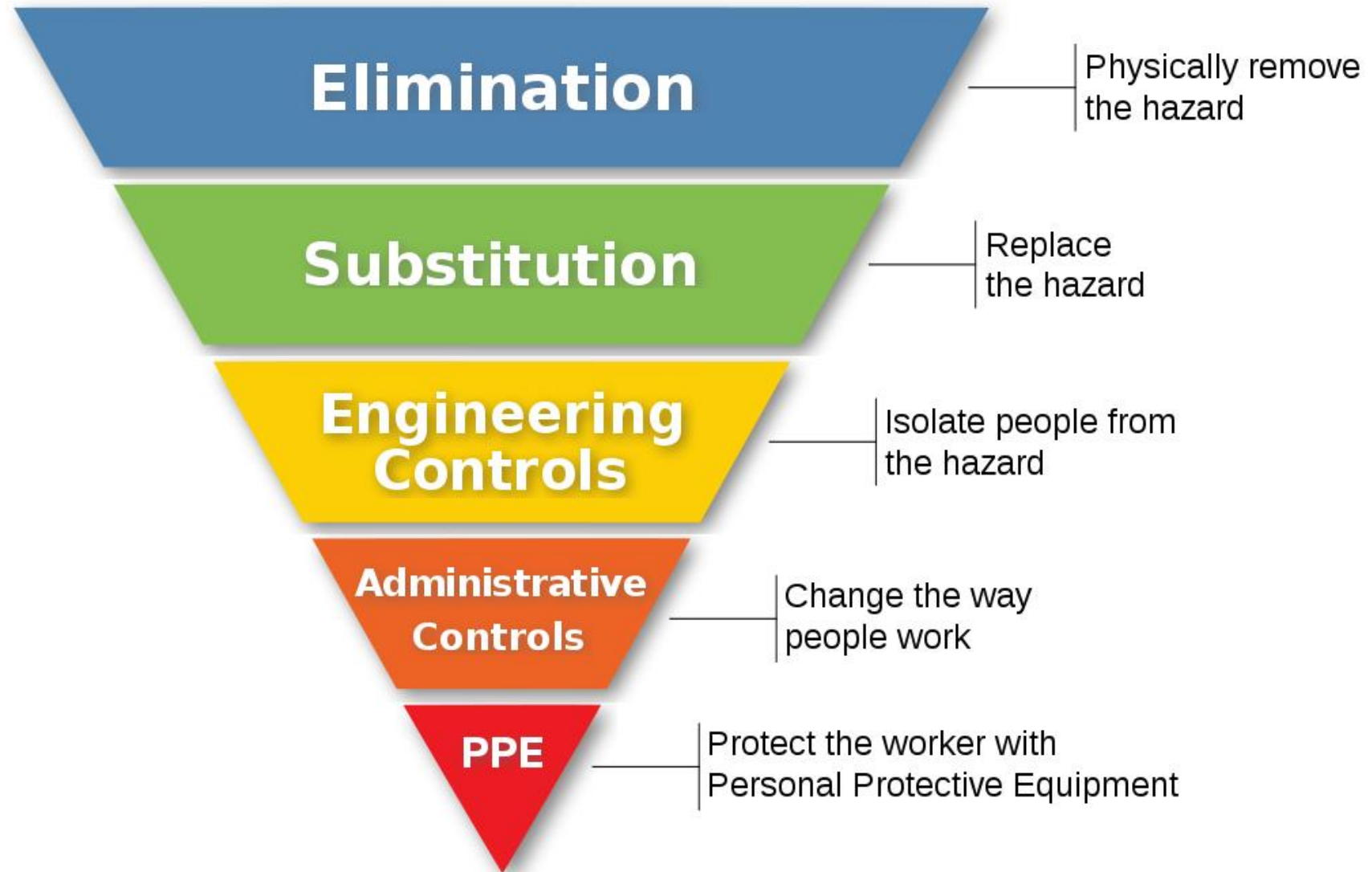
Use inspections and checklists to make hazards visible.

Hierarchy of Controls

Most
effective

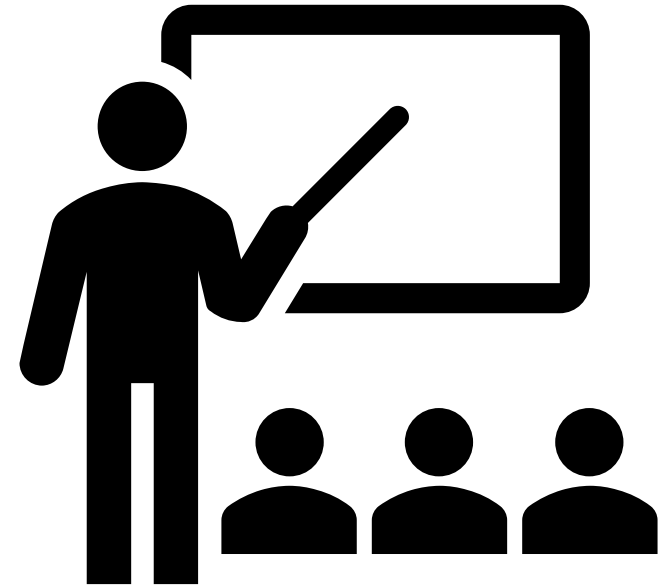


Least
effective



Train Employees to Work Safely

- Recognize safe work practices
- Identify job hazards
- Apply appropriate hazard controls
- Select and use required PPE
- Operate specialized equipment safely
- Know when and where to ask for help



Effective Instructions Matter

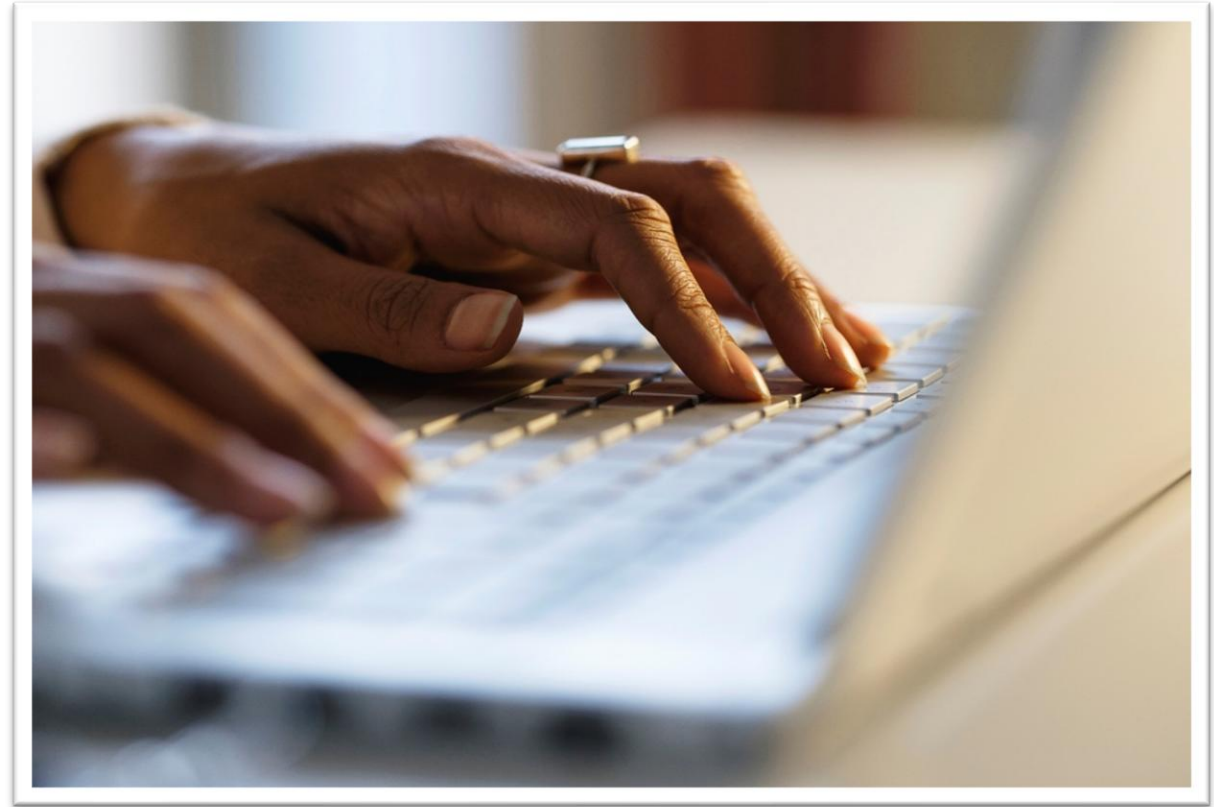
- Incomplete or unclear instructions can contribute to incidents.
- Barriers to effective communication
 - Language differences
 - Knowledge or experience gaps
 - Assumptions and bias
 - Stress, fatigue or mood

Give clear instructions, confirm understanding, and never assume the message was understood.



Report and Investigate Every Incident

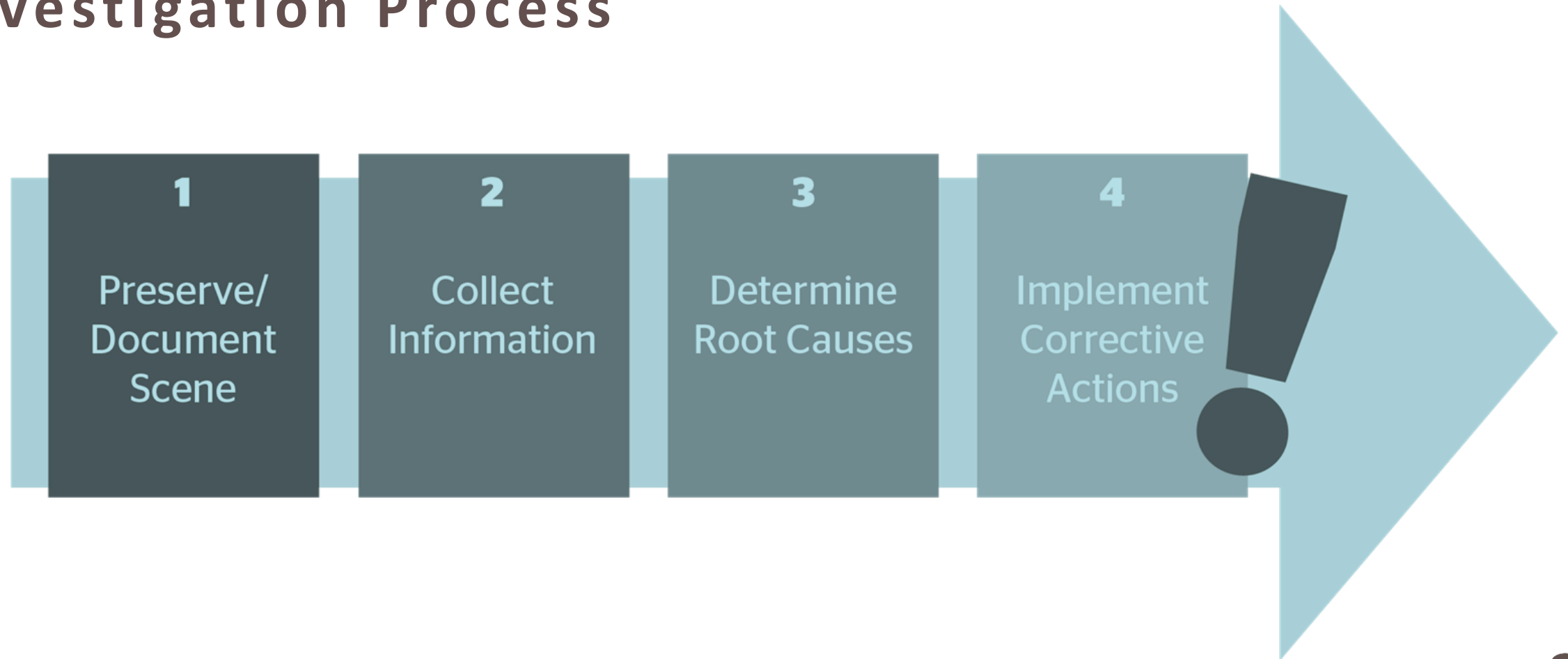
- Ensure incidents are reported promptly
- Complete a thorough, objective investigation
 - Identify contributing causes
 - Determine corrective actions
 - Capture accurate information
- Document findings and actions
- Follow up to confirm corrections are completed



The purpose of an investigation is to prevent recurrence – not assign blame.



Investigation Process



Determining Root Causes

- Use the **5 Whys** to move beyond the immediate cause
- Look for:
 - Immediate causes
 - Contributing factors
 - Underlying/system causes
 - Root causes



Root Cause Example: Look Beyond “Poor Training”

Incident: Employee falls 7 feet from a pallet elevated by a forklift.

Initial finding: Poor training.

Ask: *Will more training alone prevent this from happening again?*

Deeper causes might include:

- No approved method for accessing elevated inventory
- Inadequate equipment for the task
- Unsafe practice had become normalized
- Supervisory or management controls did not prevent the practice
- Procedures did not clearly prohibit riding or working from elevated pallets



Figure 1: Example of a worker unsafely pulling inventory on a raised pallet.

Hold Effective Safety Meetings

- Include employees in the discussion
- Hold meetings on a regular schedule
- Encourage questions, suggestions and feedback
- Focus on hazards relevant to the work being performed
- Document topics discussed and action items



Claims Management

- Establish a designated occupational health provider
- Maintain communication with:
 - The injured employee
 - The claims examiner
 - The treating provider
- Identify modified-duty opportunities
- Track claim progress and next steps



Modified Duty & Return to Work (RTW)

1. Identify available modified-duty tasks

2. Obtain current activity-status restrictions

3. Provide the modified-duty offer in writing

4. Monitor progress and manage the claim

Successful return to work depends on matching meaningful work to current medical restrictions – and staying engaged as those restrictions change.

Make Safety Part of Performance

- Include safety expectations in performance evaluations
- Coach employees on safe work practices
- Address unsafe performance promptly
- Reinforce safety during regular and annual reviews
- Apply expectations consistently at all levels
- Recognize and reinforce safe behaviors



Why Do Employees Take Risks?

- **Perceived benefit:** faster, easier or more comfortable
- **Low perceived risk:** “Nothing bad will happen”
- **Workplace pressures:** workload, culture, difficult processes/equipment
- **Knowledge and communication gaps:** lack of training, uncertainty, reluctance to ask questions

Risk-taking is often shaped by the work environment
– not just individual choice.



“Experience is a hard teacher
because she gives the test first,
the lesson afterward.”

— Vernon Law

Don't wait for an incident to teach the lesson.

Make Safety Part of Every Day

Talk about it. Act on it. Lead by example.

