

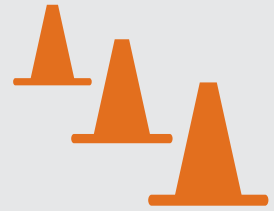
Workers' Comp & Safety News



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Administration

October/November 2009

Volume 7 • Number 5



This Just In

This year's Drug-Free Work Week takes place October 19-25.

Sponsored by the U.S. Department of Labor, Drug-Free Work Week gives employers a time to remind employees that working drug-free prevents accidents, makes workplaces safer, improves productivity and reduces costs. It also gives employers a time to encourage people with alcohol and drug problems to seek help.

According to recent research, drug abuse is a factor in many workplaces:

- 75 percent of the nation's current illegal drug users are employed—and 3.1 percent say they have actually used illegal drugs before or during work hours.
- 79 percent of the nation's heavy alcohol users are employed—and 7.1 percent say they have actually consumed alcohol during the workday.
- 8.4 percent of those employed full-time currently use illicit drugs, and 8.8 percent reported heavy alcohol use.

(Source: National Survey on Drug Use & Health, 2007, Substance Abuse and Mental Health Services Administration division of the U.S. Department of Health and Human Services)

For more information, see the article on drug-free workplace programs on Page 4.

How Insurers Calculate Your Workers' Compensation Premium

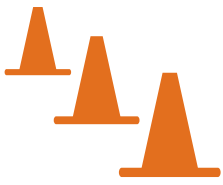
Knowing the factors that affect your premium can help you control them, and maybe even reduce your premiums.

To determine your workers' compensation premiums, insurers start with a “**manual rate.**” To develop a manual rate, an insurance rating organization groups businesses in the state with similar operations, or “classifications,” together, and determines average losses and claim costs for the group. It then adds in the insurers' overhead expenses to arrive at the manual rate for that classification, expressed in terms of \$100 per unit of payroll.

Rates vary by the relative hazard of the occupa-

tion. For example, it costs more per \$100 of payroll to insure roofers than computer programmers, since roofers are more likely to experience severe on-the-job injuries.

Insurers can use several factors to adjust these manual rates, especially for larger businesses. The most important is the **experience rating**, or **ex-mod**, which reflects a specific employer's loss experience. In most states, your premiums must exceed a certain minimum amount for the ex-mod to apply. The ex-mod is a multiplier generally ranging from



Dealing with an Aging Workforce

The Bureau of Labor Statistics predicts that workers age 55 and older will make up 20 percent of the workforce by 2020, up from 13 percent in 2000. As your workforce ages, what special safety concerns can you expect?

Studies indicate that although aging workers overall experience fewer injuries, possibly due to their greater experience and caution, an injury to an older worker requires longer recovery with more serious consequences.

Workers in physically demanding jobs may face an increased potential for injury, along with those in more sedentary positions that require periodic lifting or other physical exertion.

What type of physical changes should we expect in aging workers? We reach physical maturity at about age 25; most people begin noticing signs of aging at around 40, although some changes can occur earlier. Managers should be aware of some of the common changes aging brings and possible responses.

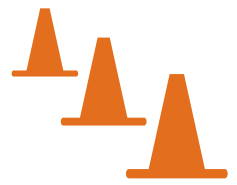
Physical changes	Response
Loss of strength. Most people lose 15 -20% of their strength between the ages of 20-60.	Most jobs seldom require the use of all a person's strength; however, an older worker might be working closer to capacity than a younger one. Monitor all workers in physical jobs for fatigue and repetitive strain injuries.

Smaller range of motion; loss of flexibility	This can cause difficulties in reaching or bending, which could lead to sprains/strains in certain situations. Encourage workers in physical jobs to stretch before and after their shifts.
Less regulation of posture and balance	Falls and other accidents due to loss of balance occur more frequently as we age. Avoid creating the need to work on slippery or uneven surfaces. Physically active individuals are less likely to lose their balance than sedentary ones.
Increased sleep problems	Older workers take longer to recuperate after night shifts or extended workdays; avoid overscheduling and monitor all shift and night workers for fatigue.
Reduced vision	Good lighting improves safety for workers of all ages, but is particularly important for older workers. Your older workers might need larger screens and/or prescription glasses to reduce eyestrain.

Hearing loss	Hearing loss usually occurs in the higher frequencies (higher pitched sounds) first. In a noisy environment, all workers benefit from hearing protection.
Reduced blood flow and tactile response to heat and cold.	Some older workers may have less tolerance for extremes of heat and cold; others might not be as able to notice the physical strains of excessively hot or cold environments. Any worker exposed to excessive heat or cold should be required to take frequent breaks.
Reduced nervous system response	Slower reaction time means older workers are less able to prevent falls, drops and other accidents. Healthy, physically active individuals are less likely to suffer noticeable loss in reaction time.
Slower mental processing of information; reduced ability to "multitask."	Mental aging varies greatly by individual; verbal skills usually increase with age. And life experience makes older workers valuable team players. However, it can take some older workers longer to learn new information or skills. When training, relate new information or procedures to information or situations they already know. If an older worker is having problems staying focused, reduce extraneous stimuli and distractions.

If you suspect an aging-related limitation might be affecting a worker's job performance, do not ask the employee questions on personal health issues: that information might be protected under discrimination and privacy laws. However, you can find ways to solve age-related limitations through the use of ergonomics, tool and equipment selection, task assignments and shift schedules. Your workers' compensation carrier or an occupational safety professional can help you identify potential problems and their solutions.

Taking care of your older workers will reduce the potential for injury and help you retain these valuable and skilled workers. ■



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.75 to 1.75 that applies to your base premium. An experience modification of 1.00 indicates your losses reached the expected dollar amount. A number higher than 1.00 indicates that your

risk of loss is greater than average, while an ex-mod of less than 1.00 indicates your risk is better than average. The lower your ex-mod, the lower your premium.

Depending on your state, payroll size and insurer, other factors might apply. These include:

Deviations apply to all insureds within a rate class. These percentages change (usually lowering) the indicated manual or bureau rates. Most states require an insurer to justify rate deviations

with the insurance department.

Schedule rating. With “schedule rating,” an underwriter evaluates an individual insured’s operations and applies debits or credits for risk management procedures that aren’t reflected in the experience rating. If you’ve recently implemented an extensive new safety program, for example, you might qualify for schedule rating.

Some rating factors usually apply only to larger accounts. These include:

✦ **Retrospective Rating Plan.** Experience-rated plans usually rely on ex-mods for the past three years. Under a retrospective rating plan, your premium depends on your payroll and actual experience for the current year, subject to minimums and maximums. You’ll pay an estimated premium, which is subject to adjustments depending on actual experience.

However, since workers’ compensation claims take months or years to develop, your final premium may take years to calculate.

✦ **Discounts.** Larger accounts might qualify for premium discounts, to account for the fact that some of the insurer’s costs of writing a policy are fixed and do not depend on the insured’s size. For a larger employer, these costs represent a smaller percentage of the premium.

✦ **Dividends.** Some plans offer dividends at the end of the policy period to insureds who have good loss experience.

For more information on workers’ compensation premiums, please contact us. ■

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- Will there be return-to-work agreements?
- What type of assistance will be available?
- How will employee confidentiality be protected?

- Who will be responsible for enforcing your policy?
- How will your policy be communicated to employees?

Supervisor Training: At a minimum, supervisor training should include a review of:

- Your drug-free workplace policy;
- The supervisor’s specific responsibilities in implementing the policy; and
- Ways to recognize and deal with employees who have job performance problems that could be related to alcohol and other drugs.

Employee Education: Employee education should familiarize your employees with your drug-free workplace program and provide general awareness education about the dangers of alcohol and drug abuse. The objectives of the training are to inform employees about:

- ✦ The requirements of your organization’s drug-free workplace policy.
- ✦ The prevalence of alcohol and drug abuse and

their impact on the workplace.

- ✦ How to recognize the connection between poor performance and alcohol and/or drug abuse.
- ✦ The progression of the disease of alcohol and drug addiction.
- ✦ What types of assistance may be available.

Employee Assistance: An employee assistance program (EAP) is a worksite-based program designed to help identify and resolve productivity problems associated with personal problems, such as alcohol and/or drug abuse. If your firm does not offer an EAP, you can find other resources to help you respond to employee substance abuse problems; however, an EAP can play an important role in your drug-free workplace program by providing a valuable resource for both supervisors and employees.

Drug Testing: Drug testing works best when implemented based on a clear, written policy that is shared with all employees, along with employee education about the dangers of alcohol and drug abuse, supervisor training on the signs and symptoms of alcohol and drug abuse, and an EAP to provide help for employees who may have an alcohol or drug problem.

Employers commonly use drug testing to:

- ✦ Deter employees from abusing alcohol and drugs

- ✦ Avoid hiring individuals who use illegal drugs
- ✦ Identify and appropriately refer employees who have drug and/or alcohol problems
- ✦ Provide a safe workplace for employees and protect the general public
- ✦ Comply with state or federal laws
- ✦ Benefit from workers’ compensation premium discount programs, where available.

No federal law prohibits testing employees for drugs; however, several states restrict or question an employer’s ability to randomly drug-test employees who are not in safety-sensitive positions. Results of drug tests are considered personal health information, so the privacy protections of HIPAA apply. Further, under certain circumstances, someone with a history of alcoholism or drug addiction may fall under the disability protections of the Americans with Disabilities Act (ADA) and other federal non-discrimination statutes. As a result, testing for alcohol without individual suspicions (e.g. pre-employment or random) is not allowable.

Because drug-free workplace programs—particularly the drug testing component—touch on many areas of discrimination and privacy, we recommend having an employment law attorney review your drug-free workplace policy and procedures. For more information, please contact us. ■





How to Make Your Workplace Drug-Free

Between 10 and 20 percent of the workers who die on the job test positive for alcohol and other drugs. Substance abuse also contributes to many nonfatal accidents, as well as affecting productivity. A drug-free workplace program can help you protect workers, the public and your bottom line.

An effective drug-free workplace program educates employees about the dangers of alcohol and drug abuse and encourages individuals with related problems to seek help. A comprehensive drug-free workplace program includes five components—a policy, supervisor training, employee education, employee assistance, and drug testing.

The Drug-Free Workplace Act

The federal Drug-Free Workplace Act of 1988 requires some federal contractors and all federal grantees to agree that they will provide drug-free workplaces as a precondition of receiving a contract or grant from a federal agency.

Although all covered contractors and grantees must maintain a drug-free workplace, the specific components necessary to meet the requirements

of the Act vary based on whether the contractor or grantee is an individual or an organization. The requirements for organizations are more extensive, because organizations have to take comprehensive, programmatic steps to achieve a workplace free of drugs.

The U.S. Department of Labor has an online tool, the Drug Free Workplace Advisor, that can help you determine if the Act applies to your workplace, and how you can develop a drug-free workplace program if it does. See www.dol.gov/elaws/asp/drugfree/menu.htm.

Policy: Your drug-free policy should consider the following:

- What is the purpose/goal of your policy?
- Who will be covered by your policy?
- When will your policy apply?
- What behavior will be prohibited?
- Will employees be required to notify you of drug-related convictions?
- Will your policy include searches?
- Will your program include drug testing?
- What will the consequences be if your policy is violated?

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Symptoms of Substance Abuse

How can you tell if an employee might have a substance abuse problem? He or she may have physical symptoms (chills, smell of alcohol, sweating, weight loss, physical deterioration) along with emotional (increased aggression, anxiety, burnout, denial, depression, paranoia) and/or behavioral symptoms (excessive talking, impaired coordination, irritability, lack of energy, limited attention span, poor motivation). It is important to note, however, that if an employee displays these symptoms, it does not necessarily mean he/she has a substance abuse problem.

Signs that substance use may be a workplace hazard include:

- Creating mishaps, being careless and repeatedly making mistakes.
- Damaging equipment or property.
- Being involved in numerous accidents.
- Displaying careless actions in the operation of hazardous materials or equipment.
- Being unreliable, not being where he or she should be.
- Showing a lack of detail in performing routine job duties.
- Being unwilling to follow directions and being argumentative.
- Giving elaborate, unbelievable excuses for not fulfilling responsibilities.
- Not carrying one's load.
- Taking unnecessary risks.
- Disregarding safety for self and others.

An employee assistance program (EAP) can help managers and supervisors who suspect employee substance abuse deal with the situation appropriately, as well as help the individual find the treatment needed.