

# NEWS ALERT

## WORKERS' COMPENSATION

# Employers Protest First Aid Claims Regulations

**E**MPLOYERS ARE protesting new Workers' Compensation Insurance Rating Bureau rules dealing with first aid claims.

Businesses say the proposed reporting provisions are unclear and inappropriate in light of impending changes that will exempt the first \$250 of every claim from the experience rating calculation. While Rating Bureau rules already require employers to report injuries that only require first aid, many employers do not report them.

The agency hopes that the \$250 exemption will prompt more employers to report small claims like finger cuts or abrasions.

The reason employers are concerned is that beginning in 2017, frequency (the number of claims) became a major part of the formula for calculating X-Mods as opposed to the prior formula that put more weight on claims costs.

The new regulations updated the definition of medical-only claims and the rules for reporting these losses. They define a first aid claim as

an injury where there is no lost time from work and only medical costs.

Bruce Wick, director of risk management for the California Professional Association of Specialty Contractors, who also serves as an employer member of the Rating Bureau's governing board, wrote a letter to Insurance Commissioner Dave Jones, asking him to delay approving the new first aid provisions.

"The laws involving first aid claims are confusing. Federal OSHA regulations, state OSHA regulations, state labor law regulations, and the Insurance Code all have overlapping and underlapping information," Wick wrote. "Trying to clarify existing [Unit Stat Reporting] regulations when there is still uncertainty in these other areas, doesn't seem to help."

He asked Jones to "either delay approving this part of the filing until the first aid reduction plan is implemented in 2019, or in the alternative, strongly encourage the WCIRB to expedite the implementation of the first aid reduction plan so it could take effect in 2018." ❖

### First Aid Claim Examples

- Abrasions and cuts that require cleaning, flushing or soaking.
- Using hot or cold therapy for a muscle injury.
- Drilling a fingernail to relieve pressure, or draining fluid from a blister.
- Removing foreign bodies from the eye using only irrigation or a cotton swab.
- Removing splinters or foreign material from areas other than the eye by irrigation, tweezers, cotton swabs or other simple means.



### CONTACT US



If you have any questions regarding any of these articles or have a coverage question, please call us at:

**Asero Insurance Services**  
200 N. Almaden Blvd., 3rd Floor  
San Jose, CA 95110

Phone (408) 271-2300  
Toll Free (866) 966-8928  
Fax (408) 271-1802

Ca. License No.: 0A91339

# Educate Staff about Safe Driving as Crashes Increase

**A**S ACCIDENTS skyrocket in part due to people using their smartphones while behind the wheel, April has been designated Distracted Driving Awareness Month – a great time for you as an employer to further promote safe driving among your staff.

Hammering home the importance of safe driving can keep your employees from causing serious damage or worse to a third party, and also help keep your insurance costs in check.

While you are likely to see an increase in your insurance rates even if you've had no accidents, you'll want to make sure that you continue focusing on safety to reduce the chances of future accidents.

Liberty Mutual Insurance Company recommends that employers who have driving employees implement a company-wide fleet safety program.

This should include:

- A questionnaire to weed out employees and job applicants with poor driving records,
- Requiring road tests for new driving employees,
- Training them in post-crash procedures and reporting,
- Carrying out continuing driver training and education,
- A policy on mobile devices by drivers,
- Having a list of sample safe-driving performance expectations, and
- Conducting regular maintenance and inspections. ❖

## Elements of a Fleet Safety Program

**Enforce company policy for use of vehicles:** Use standard operating procedures like limiting personal use of company vehicles and monitoring who can use them.

**Hire qualified drivers:** Create a form for each applicant to document their driving history, employer references, medical certificates, and more.

**Use a company fleet:** There are extra risks involved when drivers use personal vehicles on the job.

**Train your drivers:** Some topics you can cover in your safety training include breakdowns, distracted driving, driving under the influence (DUI), the importance of resting when tired, negotiating heavy traffic conditions, and the dangers of speeding.

**Regularly check driving records:** Set a schedule for checking an employee's driving records to ferret out any deterioration in their experience, particularly if they've been cited for a DUI.

**Review every accident:** Your insurer will often be able to supply you with a vehicle accident form for your employees to fill out and follow in case of an accident, including witness names, circumstances, and the other driver's information, including insurance.

You should have contact information for the person in your office that they should contact in case of an accident.

Source: Liberty Mutual Insurance Company

## CALIFORNIA COMMERCIAL AUTO

## WHAT'S DRIVING LOSSES?



### More traffic

Total miles driven increased 50% faster in California than in the rest of the country since the start of 2015.

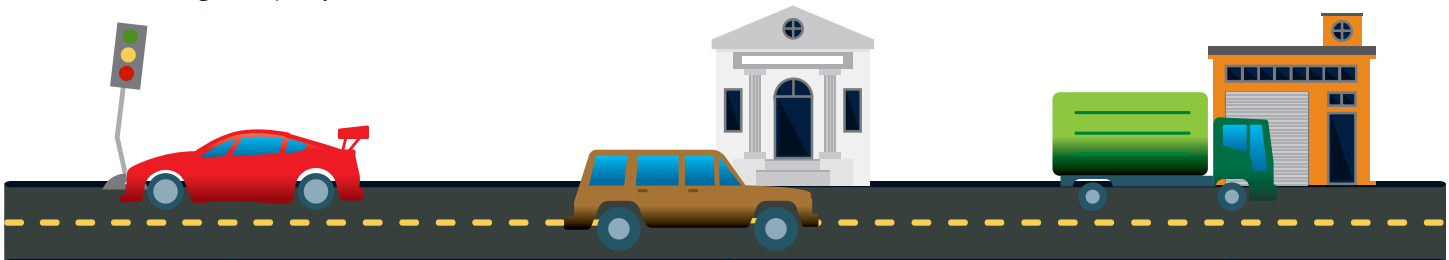
More vehicles = higher frequency of accidents.

### Distracted drivers

One-quarter of crashes involve drivers talking on phones or texting.

### Escalating medical costs

Medical care costs are climbing more than 1.5 times faster than other costs.



### More fatalities and other severe accidents

Accident rates per person and per mile of driving are rising in California.

### Inexperienced or undesirable drivers

A shortage of skilled commercial drivers with good driving records = greater odds for accidents.

### Rising auto repair costs

Record U.S. auto sales mean garages are often servicing newer cars with more expensive parts. Even minor repairs can cost big bucks.

# Don't Let a Subcontractor Derail Your Safety Efforts

**O**NE OF the biggest challenges in running your own construction business is preventing contractors' and suppliers' safety practices from denting your own safety program.

While you may consider a number of factors when vetting a new contractor or vendor, one area that is often overlooked is their workplace safety practices.

This mistake can cost you dearly if one of their workers causes an incident at your worksite. In addition to an injury to one of your own employees, you could get a visit from an Occupational Safety and Health Administration inspector.

The National Safety Council's Campbell Institute recently conducted a study of organizations with excellent safety records to identify the best practices for contractor and vendor safety.

As part of the study it identified five steps during a contractor or vendor relationship when it's incumbent on a hiring company to evaluate the workplace safety habits of their business partners.

### Prequalification

The institute recommends looking at more than just a company's experience modification rate. It says safety-minded firms assess contractors in multiple areas, such as their total recordable incident rate, fatality rate, days away from work for injured workers, restricted or transferred rate, and other OSHA recordables for the last three years.

Many firms also ask for environmental reports, written safety programs, permits, licenses, and continuous improvement programs.

### Pre-job task and risk assessment

Before a contractor begins work, institute members recommend having a method for evaluating the risk of the work that is to be performed. Doing this can help you understand the scope of the work and give you a chance to put into place a new written safety

program if the risk is deemed high.

Most importantly, subcontractors should be required to adhere to the same safety standards as your company.

### Training and orientation

You should require safety orientation and skills training for contractors before they step onto your jobsite. Also, if they are doing highly specific work, you should ensure they have any required permits or special training. Some of the jobs that fit into that category are confined-space entry, electrical work, hot work, energy control, forklifts, and elevated work.

### Job monitoring

Many safety-minded companies monitor work with daily checklists, pre-shift tailgate or safety meetings and weekly walk-through inspections. Some of the companies surveyed for the study also require contract employees to submit a certain amount of safety observations and utilize mobile applications to report non-compliance or unsafe conditions.

Also, you need to keep up-to-date incident logs, as this is crucial to monitoring contractor safety during a project.

### Post-job evaluation

Conduct a post-job evaluation. During this phase look at safety, customer service and the quality of the finished work, and use those factors in determining the contractor's eligibility for future contracts. ❖





## HOMEOWNER'S ISSUES

# The Four Most Common Water Damage Claims

**S**O OFTEN when we talk to one of our clients who has just filed a claim for fire or water damage, we find that they wish they had stayed on top of repairs and maintenance.

Indeed, the majority of homeowner's insurance claims are preventable with just a little bit of scheduled effort.

While many people tell you to be prepared for major calamities like floods, tornadoes or earthquakes, the fact is that the majority of homeowner's claims are for damage that is caused by their own negligence or lack of inspection and maintenance.

Today we look at ... claims that should never happen to you if you stay on top of the maintenance.

### Washing machine issues

If a washing machine leaks in the middle of a wash cycle, you could end up flooding and damaging floors and furniture in many of the adjacent rooms.

To avoid this, you should inspect your washing machine twice a year for any issues that could lead to a major leak. These tips should help you head off any problems in the future:

- Inspect all hoses and look for cracking, peeling or loose hoses.
- Don't overload your machine, as stuffing too many clothes and linen in at one time can lead to an unbalanced load and leakage.
- Be sure to keep the machine level.
- Clean the inside once a month. That means looking for obstructions or any stray pieces of fabric.
- Clean out the detergent/fabric softener dispenser, which can get clogged up – especially with powder detergent.

### Bathtub and shower leaks

Some of the worst water damage happens to the bathroom floor underneath and around the tub and shower.

You should keep an eye out for cracked seals and grout. Water can seep through those tiny cracks and damage the floor beneath.

Regularly inspect for any holes in the caulking or signs of potential damage. Look for stains or soft places on walls, floors and ceilings near the bathroom to determine whether a leak is occurring.

If you do find a leak or major problem within your bathroom, you should call a plumber as letting leaks go unfixed will only lead to further damage.

### Toilet issues

Toilets are also a source of water damage. In a new home, the toilet can fail through a faulty supply line.

In older homes, toilet issues are usually in the form of a slow leak or clogging, which can lead to water damage if unchecked.

The first thing that must be done is to caulk all around the toilet. This way, even if an overflow does occur, the water will not be able to trickle down under your tile or linoleum floor.

If your toilet clogs, act quickly by opening the tank and lifting the flapper to prevent more water from coming in and overflowing the bowl. When possible, replace the supply-line gate valves with ball valves, which can reduce the risk of overflowing.

### Roof leaks and collapses

Consider the roof as your home's protective shield against the elements. The key to long life for your roof is basic maintenance, which includes cleaning your rain gutters twice a year and inspecting shingles and replacing any that are damaged.

And during the winter storms in colder climates, monitor roof conditions to protect against roof collapse from accumulated snow or ice. You should be aware of the warning signs that your building structure is under significant stress, such as:

- Deflection or cracking of structural members.
- Cracks that have recently developed in interior and exterior walls and ceilings.
- Cracked or broken windows.
- Unusual creaking or popping sounds.
- Doors or windows that bind or do not open and close properly due to racked frames.

If you notice any of the above, you should call in a qualified structural engineer for an immediate inspection. ❖