



Safety First

Implementing a Comprehensive Risk Management Program

*The Challenge: Lots to Know and Do, and Recently More to Worry About;
Safety from a Regulatory Perspective*

*The Solution: Steps to Take, a Program to Put in Place and Follow;
Safety from an Operational Perspective*

*The Savings: How Accidents Affect the Bottom Line;
Safety from a Financial Perspective*



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The Challenge: Lots to Know and Do, and Recently More to Worry About

Safety from a Regulatory Perspective

Each year close to 100 million people spend time on the job, in a full- or part-time capacity. Thousands die and millions are injured or disabled due to unsafe work conditions. In 2007 in Utah, there were 67,907 such injuries and 65 deaths. It was not until 1970, through the enactment of the Occupational Safety and Health (OSH) Act, that the federal government passed a comprehensive set of laws meant to ensure worker safety. While ambitious as to scope and intent, historically the OSH Act could be described as a law with a lot of bark, but little bite.

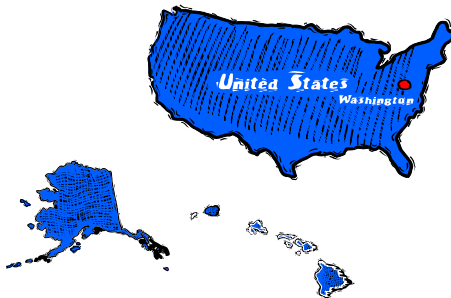
That Was Then... Lots of Talk, with Little Follow Through



The Facts

As of 2008, only 68 criminal cases have been prosecuted since Congress passed the measure 38 years ago. Defendants successfully prosecuted by OSHA have served only a total of just 42 months in jail. A negligent employer can only be charged with a crime if a worker dies (a Class B misdemeanor).

This Is Now... Growing Signs of Stricter Enforcement, Bigger Penalties



A National Push

The lack of OSHA enforcement to date is showing signs of reversing. The agency is pursuing more aggressive actions. It recently sent letters to employers nationwide (some 14,000 in total) that had injury and illness rates more than double the national average; these strongly worded messages suggested that companies make corrective actions... or else. Moreover, calls from worker rights advocates for stricter enforcement and stiffer penalties have grown louder. These groups are pushing hard for the government to lower the bar when defining employer negligence—attaching felony charges to workplace abuses, with prison sentences for offenders measured in years and not months.

Added State-Level Scrutiny in Utah

Utah's own Occupational Safety and Health Division is getting in on the action. In April 2008, it announced the launch of a summer-long safety campaign, dubbed the "Big 4" program; it will focus on the four major causes of fatalities on construction job sites: falls, falling objects, getting caught between machinery / equipment / excavation walls, and electrical accidents. Compliance officials plan to randomly visit sites throughout the state to see if dangerous conditions are present, determining if companies under review have effective safety programs in place. Citations and penalties could be issued by inspectors for those found to be in non-compliance.

The Solution: Steps to Take, a Program to Put into Place and Follow

Safety from an Operational Perspective

Ignorance of OSHA requirements, long a first-line of defense for many companies coming under scrutiny, no longer suffices. Employers increasingly must factor into daily operations their responsibilities under the Act—or they risk the consequences. And this is where Payday Resources (PDR) can help out.

With a dedicated safety specialist leading the effort and bringing extensive resources to bear, we offer companies a comprehensive safety program that mitigates workplace injuries and improves company finances. Whether setting up and administering your policy, performing an initial safety audit (to identify and correct problem areas), conducting onsite orientations and training for employees, filling out injury reports promptly, handling worker comp claims, or completing OSHA 300 logs—we've got it covered, from beginning to end. With our assistance making safety management and loss prevention a high priority, you'll be better protected and more profitable as injuries happen less frequently and rates come down.

PDR Dedicated Safety Specialist

One Person at the Center of It all



- Safety Visits, Audits & Analysis
- Employee Orientation and Training
- Ongoing Safety Consultation
- Onsite Injury and Accident Investigations
- Help with Return-to-Work / Light Duty
- Coordination with Labor Commission
- Collaboration with Insurance Carriers

PDR Dedicated Safety Resources

Putting Policy into Practice



- Policy Setup, Payment & Renewal
- Timely Claims Reporting
- Safety Manual / Guidebook
- Library of Forms and Resources
- Utah Safety Council Training
- OSHA Record Keeping
- Rate Shopping for Competitive Bids

The Savings: How Accidents Affect the Bottom Line

Safety from a Financial Perspective

Implementing a comprehensive and effective safety program can yield tremendous financial savings for a company. By taking a proactive and focused approach, direct insurance costs (the typical workplace injury in Utah costs companies an average of \$5,500) can be lowered dramatically as you qualify for better rates due to improved injury and loss ratios. As importantly, indirect costs (estimated to be from 5 to 50 times as expensive as direct costs) associated with workplace injuries (e.g., in lost productivity, added time spent on paperwork, recruiting and training new staff to replace injured workers, etc.) drop when workplace safety increases. Both points are illustrated below.

Money Matters: When One Company’s Workplace Is Safer Than Another’s

Company A
No Safety Program = Frequent Injuries



Company B
Effective Safety Program = Minimal Accidents



Direct Cost Comparison

Total Payroll	\$500,000	\$500,000
Rate per \$100 of Payroll	\$10	\$10
Premium	\$50,000	\$50,000
Experience Modifier (emod)	1.71	0.67
Total Premium	\$85,500	\$33,500
Additional Cost	\$35,500	Cost Saving \$16,500

\$52,000 in total costs savings for Company B over Company A

Indirect Cost Comparison

The Cons

- Lost Worker Productivity
- Major Administrative Headaches
- Time-Consuming Hiring and Training
- Damaged Equipment Costs
- Mounting Legal Worries

The Pros

- Steady Employee Performance
- Minimal Paperwork
- Consistent Staffing, Skill Levels
- Infrequent Product Replacement
- Reduced Injury-Related Liability

Source: WCF of Utah, “Worker Compensation Program Safety Program & Cost Control Guidebook.”