

Quick Guide to Safety, Prevention and Accident Reduction



QUICK GUIDE TO SAFETY, PREVENTION AND ACCIDENT REDUCTION

Your employees are the lifeblood of your business. Without them, nothing runs. So taking good care of them is not just a legal requirement; it's a financial imperative.

A good accident prevention plan and safety checklist will help do just that. Not only does a good plan help to ensure you remain compliant to all OSHA and California state codes and regulations; it can help reduce the cost-per-man-hour of your workers' compensation insurance, reduce the number of claims against that policy, improve employee morale, and reduce downtime or lost days when someone does get injured or sick.

While a comprehensive accident prevention program requires careful and in-depth analysis of your business and the specific situations in which there is potential risk, we're going to address some of those common issues and how you can start to develop such a plan in this guide.

In the next few pages you will learn the benefits of having a good safety program in place, the steps you should take to start crafting your plan, and the routine actions you should build into that plan as part of your safety oversight.





THE COST OF INJURIES AND ILLNESS

As a small business owner, you understand that there are risks around every corner. On any given day, something can go wrong. The best you can do is be prepared for those possible situations. It is when preparation and planning are lacking that real costs are incurred.

Imagine a single severe injury for your business. With fewer than 40 employees, you are by no means a large company. If an employee is severely injured, or worse - permanently disabled by an accident in the workplace - what would that mean for your business?

Losing one of your best employees.
Inoperable machinery offline for weeks.
Overtime to cover the loss of a strong member of your team.
Potential citation for the conditions that lead to the injury.
Increased insurance rates as a result of the investigation.

It starts to add up quickly and it's very likely such a scenario could be avoided entirely with careful attention to common safety protocols that go beyond the bare minimum of compliance to state and federal laws.

How much does this actually cost? The National Safety Council estimates that for every \$1 of direct costs such as medical payments and time lost, there are an additional \$4-\$10 of hidden costs such as lost time for other employees, damaged equipment, reduced morale, training costs for a replacement, and loss of production, among other things.

This doesn't include the potential increases in the cost of industrial insurance premiums. A typical contractor may experience massive increases in premiums. A single injury with citation attached can cause this or worse. And none of this includes the fines that might be levied by OSHA or the State of California.



How Safety Reduces the Cost of Insurance Premiums

There are a number of factors that can directly influence your insurance premiums, some of them in your control and some not.

Depending on your industry and the nature of your business and staff, you won't be able to directly influence factors such as:

- The type of industry you are in and how it is classified by carriers.
- The specific nature of your operations and relation to the equipment used and services rendered.
- Level of carrier competition for businesses in your industry.
- The number of years you have been in business.
- The size of your operation as measured by annual sales and/or annual payroll.

What you can control, however, is the nature of your business and how it manages key elements – from claims and loss control to safety policy and procedure. Specifically, you will benefit from:

- A Strong Claim History – Anything more than one claim on your record may make it more difficult to access preferred rates.
- Payment History – Your history of on-time payments is a factor you may not be able to go back and fix, especially if you inherited the business, but it is one you can plan for now.
- Loss Controls – Your ability to manage risk and reduce loss in your business is evaluated carefully by underwriters.
- Management Experience – This can directly play into the nature of your safety procedures and policies, and can have a positive impact on almost every aspect of your business.

And on top of all that there is safety policy and procedure. The ability of your business to carefully prepare for potential issues and manage risk proactively through training, routine safety checks, maintenance, and good hiring practices can have a profoundly positive impact on your business, to the point that not having these things can be detrimental to your business.



How Safety Policy and Procedure Helps

What specifically will your business gain by building and executing a strong safety policy and procedure? There are a number of benefits, not just for your insurance premiums, which can go up sharply if you are prone to recurring losses/claims. Some of these benefits include:

- A Culture of Professionalism and Safety – A safe, clean workplace is one where employees have greater respect for the job, the work they do, and for each other. This culture can be empowering and help everyone feel like they are doing good work, which in turn can help to reduce carelessness and factors that might lead to accidents later.
- Displays of Management Involvement and Concern for Employee Wellbeing – To properly engage and manage a safety program, management needs to be present and involved. This helps to show staff that they are cared for and that management does more than desk work.
- Injury Reduction – A good safety program will reduce preventable injuries, meaning less risk for employees overall. This can reduce the need for overtime, hiring underqualified staff as replacements or being understaffed for long periods of time.
- Downtime Reduction – Both injuries and machine malfunction can be reduced with a good safety program. Since both of these issues can lead to long periods of downtime, regular safety checkups will keep your business running more smoothly over time.
- Improvement to Employee Morale – For all of the reasons listed above, employees in general will be happier. They won't feel as though their contributions and efforts are being ignored or that management doesn't care if they get hurt. It creates a culture of caring and professionalism that has a positive impact on morale across the board.
- Fewer Instances of Litigation – Lack of safety oversight can lead to claims of preventability. Litigation by injured employees can be devastating for a business, and for the morale of its employees.
- A Higher Quality Pool of Potential Employees – A clean, well maintained, and smoothly operating space with happy employees will attract a higher caliber of candidate to open job positions.
- Reduced Regulatory Penalties and Citations – Finally, there is the very real issue of citations and penalties you could receive if you do have an accident. When there is a major injury or accident, the resulting investigation can be costly in a direct monetary way beyond its impact on staff.

Your insurance premiums are an important consideration, with \$3 paid back by the insured for every \$1 in loss/claim over time, but that alone is only one of several benefits you'll gain by having a well-executed and culture-conscious safety policy and procedure in place for your business.



What an Accident Prevention Program Looks Like

With the high cost of accidents in the workplace, the long term impact they have on your company, staff, and overall morale, one of the most effective things you can do to prevent catastrophe is build an accident prevention program.

A good accident prevention program is designed to do three things:

1. Establish clear processes for adherence to minimum state and federal regulations.
2. Outline opportunities to go above and beyond minimum compliance based on your company.
3. Put a plan in place to handle and investigate problems internally before they cause a major accident.

By creating a plan that assesses several potential issues, how you'll address them, and what is required of your industry, you can potentially reduce the risk of having such a problem occur in the first place.

Steps to Build an Effective Accident Prevention Program

A good accident prevention program and safety incentive program has a huge number of benefits for your business, meaning it should be constructed with the specific nature of your business in mind.

But there are several things you can do that have historically offered greater benefit to small businesses attempting to improve morale, reduce loss and claims, and build a better culture for their staff through accident prevention.



Step 1 – Assign Budget and Oversight

This shouldn't be a pet project for ownership. It should be a fully-developed plan executed carefully by your staff to ensure a greater chance of success.

For this to be the case, it needs to be clear who is in charge of the initiative, ideally with one person overseeing the efforts in HR or management, and a budget for your safety efforts. If you are concerned about possible overages in budget, make sure you have a policy in place for what to do if the money runs out. Safety efforts should never be put on hold because of a small shortfall. This will ultimately cost you more in the long run.

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Step 2 – Establish Clear Goals and a Timeline

Now, what will your safety program's primary purpose be and how long do you want it to take to achieve these goals? When building a plan, ask employees for insights into what types of hazards might require addressing. There are frequently small issues that management doesn't see or interact with on a daily basis that staff is more familiar with.

Some specific goals you can build for your plan include:

- Setting time periods for zero time-lost injuries, or monthly/quarterly milestones for no accidents.
- Updating or obtaining key certifications like CPR for members of staff.
- Building an action plan for responding to specific hazards such as fire, crime, machinery malfunction, or natural disaster.
- A process for reporting and removing malfunctioning equipment from use.
- A process for safely (and potentially anonymously) reporting unsafe conditions to management.
- A checklist for safety audits and inspections to be performed on a regular basis.

In addition, each of these goals should have a timeline attached, along with an action plan for how they will be executed once in place. Short goals that are easily achievable are important so break up larger projects into smaller milestones if needed to keep employees engaged.

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Step 3 – Create Incentives for Your Staff

One of the most effective ways to ensure compliance with a new safety program is to incentivize the efforts to your staff. This can be done in a number of ways. The key here is ownership – make your staff eager to participate to more willing to report problems because of the incentive program. Some possible incentives include:

- Team meals or outings
- Public recognition for employees with strong safety records
- Cash or gift card bonuses for specific milestones reached
- Extra days off work or special attention through plaques and certificates.
- A safety bonus fund that will be split among employees – relate this amount to potential savings from reduced claims/losses.

The goal here is to drive engagement and get your staff excited to be a part of this program.

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Step 4 – Communicate Openly with Staff

Having a strong plan in place and incentives to drive participation is only the first leg of the journey. You need to have a strong communication strategy for ensuring your staff knows how you are performing, is updated on new developments, and provides you feedback as often as possible. This includes things like:

Regular updates on the program status – Send emails, put up flyers, or hold team meetings or outings to discuss the current status of the program.

Recognize achievements of all sizes from your employees – Give awards to staff that manage to maintain safe standards for long periods of time. There is a bit of a balance here. Don't make awards or incentives so enticing that an employee would withhold an injury, but be sure to show appreciation for everyone following the new protocols.

Ask for feedback often – Frequently request feedback from your team and make adjustments to your program based on that feedback, whether it's new procedures or adjustments to existing ones.

Finally, you can make safety concerns a major part of how you evaluate and interact with your employees on a routine basis. Performance reviews, hiring criteria, and quota completion can all be tied to safety performance. This can also be directly tied to managerial reviews, ensuring your management is upholding the safety standards and checking in on these factors as often as possible.





Safety Checklist

To help maintain the safety standards of your business and ensure every member of your staff follows through on the changes you are making, it helps to have a simple, easy to complete checklist. Here is a sample of such a checklist and how it can be used for your business:

Safety Inspection Checklist

Date Performed:

Performed By:

Summary of Corrective Actions:

General Issues

| Items to Check | Good | Needs Addressing | N/A | Comments |
|-------------------------------------------------------------|------|------------------|-----|----------|
| Safety bulletin board visible and accessible | | | | |
| Employees understand safety program and resources | | | | |
| First aid kits marked and accessible at all times | | | | |
| First aids complete and not missing items | | | | |
| First aid cards up to date for all trained employees | | | | |
| Walking surfaces are clear and clean | | | | |
| Stairs, aisles, doors and windows are clear | | | | |
| Material and equipment storage is clear and properly stowed | | | | |
| Means of egress checked and clear | | | | |

Emergency Exits/Evacuation

| Items to Check | Good | Needs Addressing | N/A | Comments |
|-------------------------------------------------------------|------|------------------|-----|----------|
| Emergency Exits/Evacuation | | | | |
| Emergency phone numbers easily accessible | | | | |
| Exit routes clearly marked and clear of debris | | | | |
| Emergency lights all work | | | | |
| All exits opened from within without a key | | | | |
| Emergency alarms work | | | | |
| Regular check of fire extinguishers (monthly/annual) | | | | |
| Sprinkler riser (monthly/annual checks) | | | | |
| Flammable material storage | | | | |
| Electrical in conduit and insulation/grounding is all sound | | | | |

Electrical

| Items to Check | Good | Needs Addressing | N/A | Comments |
|-----------------------------------------------------------------------|------|------------------|-----|----------|
| No extension cords being used permanent/ long term | | | | |
| No splices, taps or insulation damage on cords | | | | |
| Waterproof covers for all electrical cords and equipment in wet areas | | | | |
| Breaker boxes clear and can be accessed when needed | | | | |
| Enclosure of all live electrical parts on tools and equipment | | | | |
| Insulation and grounding sound | | | | |
| Ground assurance followed | | | | |
| Panels and breakers properly labeled | | | | |
| Panel clearance confirmed | | | | |
| Lock out capability confirmed sound | | | | |
| No overuse of circuits or frequent overload | | | | |

Personal Equipment

| Items to Check | Good | Needs Addressing | N/A | Comments |
|-------------------------------------------------------------------------------------------------------------------|------|------------------|-----|----------|
| All necessary equipment being used: protective gloves, eyewear, footwear, hearing protection, work clothing, etc. | | | | |
| Hazard assessment performed regularly on work areas | | | | |
| Guards in place for personal hand tools | | | | |
| Deadman switches all functional on hand tools | | | | |
| Fittings and connections sound on personal tools | | | | |
| Proper storage and use of all tools and equipment | | | | |
| Interlocks all functional on tools | | | | |
| All personal protective equipment | | | | |
| Hard hats worn in areas with falling objects or flying objects | | | | |
| Employee training in use of the equipment | | | | |
| All equipment fits properly and is comfortable for use | | | | |

Machinery

| Items to Check | Good | Needs Addressing | N/A | Comments |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------------|-----|----------|
| Preventive maintenance up to date and logged | | | | |
| Transmission guarding and tool rest/tongue guards | | | | |
| Point of operation guards in place and checked | | | | |
| Hot surfaces guarding | | | | |
| Hydraulic hoses and connections in good condition | | | | |
| Lock-out capable at machine and labeled effectively | | | | |
| Splash/Chip guards in place and operational | | | | |
| Bit and die condition check | | | | |
| Magnetic start switches checked and operational | | | | |
| Safeguarding systems such as two hand controls working | | | | |
| Secure mounting and foundation for all machinery | | | | |
| Brakes and clutches working and checked | | | | |
| Employee operation of the machinery, including: Proper training with machinery Proper protective equipment on Proper adjustment of guards before use Safe work practices Loose clothing, hair or jewelry | | | | |

Chemical Handling

| Items to Check | Good | Needs Addressing | N/A | Comments |
|-----------------------------------------------------------------------------------------------|------|------------------|-----|----------|
| MSDS's available for all chemicals on hand | | | | |
| Proper labeling of all piping, and containers | | | | |
| Proper protective equipment in use at all times | | | | |
| Training for all users, and able to answer questions about use | | | | |
| Proper ventilation, storage and housekeeping at all times | | | | |
| Labels on all cabinets in place and up to date | | | | |
| For flammable chemicals, no smoking signs, storage handled properly and safety cans for waste | | | | |

Ladders and Fall Protection

| Items to Check | Good | Needs Addressing | N/A | Comments |
|----------------------------------------------------------------------|------|------------------|-----|----------|
| All ladders in good condition with tight joints and no missing parts | | | | |
| Proper use of single or extension ladder instead of step ladder | | | | |
| Ladders always used at a 4:1 angle | | | | |
| Proper use and training for all ladders | | | | |
| Guardrails, midrails and toeboards on all work platforms | | | | |
| Waist belts in use with proper training in situations needed | | | | |
| For heights over 6', use of fall arrest/restraint | | | | |
| All rungs and steps free of grease and oil | | | | |
| Non-metallic ladders when working around electrical equipment | | | | |

Chemical Handling

| Items to Check | Good | Needs Addressing | N/A | Comments |
|--------------------------------------------------------------------------------------------------------------------------------------------|------|------------------|-----|----------|
| Evaluate employees for the following: Excessive weight Excessive lifting Excessive reaching and twisting Excessive repetitions | | | | |
| Good workstation design | | | | |
| Material handling equipment used properly | | | | |
| Use of adjustable height work surfaces | | | | |

CONCLUSION

Safety should be one of the most important factors for your business. Your employees are vital resources that have greater value than you may ever realize. Ensuring they are properly cared for and that you have a plan in place for what to do if they are ever injured is one of the most important things you can do as a small business owner.

To that end, having resources in place that allow you to address potentially dangerous situations, increase safety protocols, put in place a chain of command for oversight of your safety programs, and in general reduce the risk of potential issues is only going to benefit your business in the long term.

To learn more about how a good accident prevention program can benefit your business and reduce the cost of workers' compensation insurance, contact Radius Insurance Services. We can provide a quote for any of your business insurance needs, and discuss with you the potential impact of having a plan like this in place for your company.

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