

Workplace Safety

Ways to Keep Your Employees & Business Safe

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Maintaining a safe workplace is not just a good idea, it's the law. Serious workplace illness and injuries cost United States employers more than \$1 billion per week according to the Liberty Mutual Workplace Safety Index. For insurers, workplace safety is not just an underwriting concern for insureds or prospective insureds. Insurers must address the same safety issues for their own workplace and employees as they do for their customers.

Injury or death of a worker has a ripple effect. In addition to direct medical and other costs, an unsafe workplace may lead to increased employee absenteeism and turnover. For example, injured retail workers are out of work an average of 24 days after the injury according to the Retail Sector Risk Report, released in November of 2019. Administrative time to complete paperwork, costs to hire and train replacement employees, and lost business are other effects of workplace injuries. In some cases, an accident can jeopardize a business's continued existence.



Workplace hazards can be physical or ergonomic. Physical hazards include noise, slip, trip and fall and vibration. Ergonomic hazards are those that impact the musculoskeletal system, such as repetitive motion, improper lifting and poor posture. Although some hazards are fairly common and generic, others are more common in specific industries.



The Occupational Safety and Health Act (OSH Act) was passed in 1970 to ensure that employers provide a workplace that is free of known hazards. The OSH Act created the Occupational Safety and Health Administration (OSHA), which is responsible for ensuring healthy and safe workplaces, including creating and enforcing health and safety workplace regulations. OSHA also offers education, outreach and training. Failure to comply with OSHA regulations can result in significant monetary penalties, including criminal fines and imprisonment. Complete information on employer responsibilities



and worker rights are outlined on the OSHA website.

For example, OSHA requires that employers use safety drills. Components of the plan must include emergency evacuation plans, and a way to make sure all employees and other building occupants are accounted for. Exit routes should be well lit, free of debris and clutter as well as wide enough for an orderly evacuation. Emergency alarms must have an alternate power source so that they will still operate during a power outage. First aid training and supplies are required for workplaces that do not have a nearby clinic, hospital or infirmary.

A proactive safety program is essential for every workplace, including a list of customized safety rules, like the example on the left. Managing hazards and risks can take a variety of forms. Some hazards, and therefore risks, can be eliminated completely. Sometimes the hazards cannot be eliminated but they can be reduced. A comprehensive risk management system is an essential component of any business's operations. Such a system incorporates risk assessment, risk mitigation and monitoring for effectiveness. Workplace safety represents cost savings for both insurers and their insureds. For insurers, a safer workplace reduces claims. For insureds, attention to a risk management system can mean reduced insurance premiums, decreases in time lost due to injuries and illness, and lower employee turnover. Safety concerns vary with the operation and occupancy. The risk management program must therefore be tailored accordingly. Safety equipment should be provided to employees when appropriate.

Safety considerations extend beyond the physical workplace. Employees who operate equipment must be properly trained, and equipment should be maintained on a regular basis. Company vehicles must also be serviced regularly, and employees should commit to following motor vehicle regulations, including pledging to wear seat belts, avoid distractions and to never drink and drive.



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There are a number of resources for insurers to assist in risk analysis and underwriting, including explanations and lists of common exposures for various types of operations. Underwriting questionnaires can help insurers identify potential areas of concern. Moody's Risk Analysis focuses on credit worthiness of businesses. A.M. Best offers a number of tools, including underwriting reports that outline unique hazards to look for in each type of business, and Loss Control Reports that offer checklists to be used during in-person inspections. Various software and online resources are also available.



Workplace violence is another safety consideration, encompassing events ranging from verbal and physical harassment to homicide. According to the National Institute for the Prevention of Workplace Violence, "workplace violence" is anything considered as "acts of aggression or violence including assaults, threats, disruptive, aggressive, hostile, or verbal or emotionally abusive behaviors that generate anxiety that occurs in, or are related to the workplace and entail a real or perceived risk of physical, emotional and/or psychological harm to individuals, or damage to an organization's resources or capabilities." Some occupations, such as transportation retail, healthcare and law enforcement, are more likely than other professions to experience violence.

Threats of workplace violence can be internal or external. Internal threats include employees, contractors and vendors who are on premises. Background checks should be done prior to hiring and annually thereafter. The checks should be supplemented with training and awareness programs. OSHA recommends that the risk of workplace violence is lower when companies have a well-defined workplace violence prevention program, including a zero-tolerance policy.

External threats include active shooters, political risk, terrorism and weather. Threats from external sources can be reduced by installing locks, reinforced entry doors and security cameras. In some cases, such as financial institutions, security guards and metal detectors may be recommended.

Active shooters, especially mass shootings, are an ever-increasing concern. In the first half of 2019 there were an average of two mass shootings per month in the United States. Mass shootings are defined by the FBI as events in which four or more lives are taken by a perpetrator according to the EHS Today. Active shooter training

often incorporates "Run, Hide, and Fight." Trainees are told, in the event of an active shooter, the preferred option is to leave immediately. If police are approaching the building, keep hands raised above your head. If it is not possible to run, you should hide, but not under your desk. Find a room that can be locked or barricaded, preferably without windows. Turn off lights and silence cell phones.

If confronted by the shooter, fight may be the only choice. Find something to use as a weapon and target vulnerable areas of the shooter's body. Be committed to the fight—your life may depend on it.

First aid training is essential for employees, especially in an active shooter situation. Your employees may have to act as first responders until trained professionals arrive.

Not all safety issues are readily apparent or foreseeable. For example, weather events, such as tornadoes, can occur with little or no warning. Snow and ice can make commuting hazardous. Extremes of heat and cold impact equipment. Some areas are susceptible to heavy rains and flooding. Having procedures to deal with weather conditions is another essential component of a company business plan. Many businesses offer employees the opportunity to work from home, which is especially important when travel conditions are hazardous.

OSHA requires most employers with 11 or more employees to have a comprehensive written emergency plan. A backup communication system is recommended and should be tested monthly. For tornadoes, scheduled tornado drills, including shelter locations and places to meet up after the event should be part of the emergency plan.

Employees who feel that their wellbeing is important are more likely to be engaged. Workplace safety is an essential component of a successful business. Insurance companies can play a key role in helping their clients reduce workplace injuries and improve their operations.

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