



BOLDS RISK & INSURANCE SERVICES

WORKERS' COMPENSATION

New Rules on First Aid Claims Reporting Take Effect

NEW CHANGES to the California Workers' Compensation Uniform Statistical Reporting Plan require that even small, medical-only first aid claims be reported.

The Workers' Compensation Insurance Rating Bureau has always required that these small claims be reported, but the requirement has never been codified.

Effective Jan. 1, insurance companies are required to report to the Rating Bureau the cost of all claims for which any medical care is provided and medical costs are incurred – including those involving first aid treatment – even if the insurer did not make the payment.

Because the rules require insurers to report these claims, they will likely pass that requirement on to you, the policyholder.

That will likely include requiring you to submit all first aid bills to them for payment, rather than paying for treatment yourself.

First aid is defined in California Labor Code as “any one-time treatment, and any

follow-up visit for the purpose of observation of minor scratches, cuts, burns, splinters, or other minor industrial injury, which do not ordinarily require medical care.”

For workers' comp purposes, that also means that the injured worker did not miss work because of the injury.

Besides these rules, there is a very good reason for reporting these claims because what starts as a first aid claim can develop into a larger claim over time.

At that point, if you never reported the claim in the first place, coverage issues may arise.

Current insurer rules

While State Compensation Insurance Fund has already had a policy in place for the last three years which enforces that all claims must be reported, many other insurance carriers have historically allowed first aid claims to be pulled out of the formula and paid for by the employer. ❖

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



Bolds Risk &
Insurance Services

Bolds Risk & Insurance Services
101 Larkspur Landing Circle, Ste 222
Larkspur, CA 94939

Tel: (415) 461-RISK
Fax: (415) 461-7476

info@boldsrisk.com
CA License No.: 0K14423

TAILGATE MEETINGS

As Construction Rebounds, Double Down on Safety

AS THE economy regains its footing, employment in the construction industry is surging as pent-up demand means that more homes are being built at a brisk pace. But this new growth in housing has come at a price for those working in the industry: a significant jump in construction workplace deaths and injuries.

In 2015, 895 construction workers died on the job, part of a trend of increasing fatalities since 2011. The five years prior to 2011 were marked by falling construction deaths. A new report suggests that the trend will continue as human resources shortages force construction firms to promote relatively inexperienced workers into supervisory roles. This means construction firms have to double down on safety, and that starts with sound tailgate meetings and buy-in from management.

You can use this handy list of meeting topics to plan your tailgate meeting agenda for the year. This list is by no means exhaustive, but it does cover the major areas that you should refresh your workers on annually.

- **Workplace hazards** – Hazard recognition is a skill that all workers need to stay safe on the worksite. This training should cover common types of hazards found in the construction industry, how to assess their severity and the different control methods employed to prevent incidents from occurring.
- **Managing worksite conditions and equipment** – The dangers vary at each worksite depending on the job as well as the weather. As a result, hazards associated with housekeeping, slips, trips, falls and materials need to be recognized. Training should include general tool safety guidelines including rotating machinery, air, electric and power tools.
- **Fall protection** – Falls are a serious hazard in all construction. This training should focus on basic fall protection equipment used in construction, worker and employer responsibilities for working at heights, and common fall protection inspection points.
- **Ladder and scaffold safety** – Some of the most common tools used on construction sites today include ladders and scaffolds, which pose their own fall hazards. They can also be major sources of injuries due to falls and improper use. Training should focus on the types of ladders and scaffolds that will be used in a job, correct set-up, usage and contraction, along with a description of scaffold tags.
- **Defensive driving** – Whether your employees are driving to work, from work, or operating a piece of equipment on the worksite, it is important to practice safe, defensive driving techniques. Your training should focus on state driving laws, defensive driving techniques and typical causes of motor vehicle accidents.
- **Powered mobile equipment** – Powered mobile equipment is used for many purposes in the construction industry. It is important to operate and work safely near this equipment. Training should cover all of the powered mobile equipment you'll have on the job, how to conduct a pre-job walk around of a machine and how to work safely around the various pieces of equipment.
- **Personal protective equipment** – Although it is your last line of defense in the prevention of injury, personal protective equipment (PPE) is a regular part of the clothing worn on most construction jobs. Training should focus on the role of PPE on the job, basic PPE found in the construction industry, and when specialized PPE is necessary.
- **Excavating and trenching** – Any excavation has the potential to harm workers who are not properly informed of the risks associated with digging and how to prevent dangerous incidents. Training should explain hazards, different soil types and their properties, and important safety precautions that should be part of all digging operations.
- **Personal physical care and conduct** – Working in the construction industry requires substantial physical health and stamina. In this module, ways to care for your body to prevent injuries and the impacts of drugs and alcohol on your ability to work safely should be examined, as well as professional behavior and conduct on the worksite.
- **Hazard communications** – The construction industry uses various chemicals and materials that could be harmful to your health if not handled correctly.
Training should focus on the Globally Harmonized System of hazardous materials labeling and the function of Material Safety Data Sheets, so that employees know how to protect themselves from dangerous hazardous materials.
- **Environmental safety** – Protecting the environment is everyone's responsibility. Training should introduce workers to the typical types of pollutants found in the construction industry, what to do in case of an accidental release of hazardous materials and general transportation of dangerous goods requirements.
- **Emergency response** – When an accident does occur, your employees, supervisors and managers should know your emergency response plan. Training should cover key response plan elements, how to access first aid on the worksite, and basic fire-fighting techniques. ❖



COMMERCIAL AUTO INSURANCE

Rates Trend Higher amid More and Costlier Crashes

YOU SHOULD prepare for increases in your commercial vehicle insurance coverage for 2017 as accidents, injuries and costs rise for the first time in decades and insurers make up for years of low pricing.

Commercial auto insurance premiums have been trending between 6 and 10% higher since early last year and you may well see your premiums increase.

Experts say that rates are increasing in nearly all commercial auto segments – but trucking is feeling it more acutely.

The reason for the increase is that there are more accidents taking place on the roads and the costs of the claims – everything from vehicle repair to medical costs – are increasing for various reasons.

Auto insurance rates are rising at the fastest pace in almost 13 years, according to the Insurance Information Institute. The effects are being felt harder in the commercial auto insurance market than in the personal market.

That's because commercial insurance rates have been stable for many years, barely budging despite rising costs. And now some insurers have left the market, reducing the supply of insurers in the segment, which has reduced competition and bumped up pricing.

The premium hike therefore essentially boils down to two factors: more accidents and rising claims costs.

Higher accident frequency

The increase in accidents, injuries and deaths is the result of:

- More people on the road due to cheaper fuel.
- More people on the road because the economy has improved and more people are driving.
- An increase in accidents due to distracted driving (mostly from texting using a smart phone or talking on the phone while behind the wheel).

One of the main contributing issues is risky behavior, which studies have found to be widespread. About 87% of drivers surveyed by the AAA Foundation for Traffic Safety in February 2016 reported that they had

engaged in at least one risky behavior while driving in the past month, including using their phone or not wearing a seat belt.

Rising claims costs

According to the Insurance Research Council, the average cost of a liability claim increased 32% from \$11,738 in 2005 to \$15,506 in 2013. In 2014, it had reached \$16,600, up 7% from the year prior.

Meanwhile, the average cost of personal injury protection claims (often referred to as no-fault claims) increased by 38.2% – from \$5,802 to \$8,017 – between 2005 and 2013.

Factors that are increasing costs:

- The cost of medical care for injured parties is increasing, particularly in the commercial auto segment, as victims of car or truck crashes tend to take longer to recover.
- As cars have become more high-tech, it has gotten more expensive to repair them. Also, more commercial vehicles than ever are being totaled, meaning the insurer has to pay out for the market value of the vehicle, because designs are often being altered to meet fuel and weight standards.
- Prices have been suppressed in the commercial market, and there are now fewer players in the market.

What you can do

While base rates are rising and out of your control, you can double down on safe-driver training for your employees.

If you can educate your driving employees in safe-driving best practices, you will reduce your accident rates, which will be reflected in the premium you pay.

For example, motor carriers that are very safe and have good “Compliance, Safety, Accountability” scores from the Federal Motor Carrier Safety Administration, are finding premium renewal rates that are consistent.

You can also adopt advanced technology like telematics and dash-cams, both of which have been shown to improve overall driver safety.

Cameras also help insurance companies when adjusting claims. ❖



BUSINESS CONTINUITY

Why Your Company Needs ‘Key Individual’ Insurance

IF YOU ARE operating a small business, you are likely relying on a small staff to get the job done.

Many employees in small firms have to wear many hats and if one of them or an owner should die, the business could suffer greatly from that sudden loss of talent.

If you don't have “key individual” insurance, that setback could be devastating to the viability of your operations, whereas coverage would provide you with extra funding that you would need while recovering from the loss.

Key individual insurance is simply life insurance on the key person in a business. In a small business, this is usually the owner, the founders or perhaps a key employee or two.

These are the people who are crucial to a business – the ones whose absence would sink the company. You need key individual insurance on those people.

Key individual insurance basics

Before purchasing coverage, you should give some thought to the effects on your company of possibly losing certain partners or employees.

In opting for this type of coverage, your company would take out life insurance on the key individuals, pay the premiums and designate itself as the beneficiary of the policy.

If that person unexpectedly dies, your company receives the claim payout.

This payout would essentially allow your business to stay afloat as you recover from the sudden loss of that employee or partner, without whom it would be difficult to keep the business operating in the short term.

Your company can use the insurance proceeds for expenses until it can find a replacement person, or, if necessary, pay off debts, distribute money to investors, pay severance to employees and close the business down in an orderly manner.

In other words, in the aftermath of this tragedy, the insurance would give you more options than immediate bankruptcy.

Determining whom to cover

Ask yourself: Who is irreplaceable in the short term?

In many small businesses it is the founder who holds the company together – he or she may keep the books, manage the employees, handle the key customers, and so on. If that person is gone, the business pretty much stops. ❖

Determining amount of coverage

- The amount of coverage depends on your business and revenue.
- Think of how much money your business would need to survive until it could replace the key person, come up to speed and get the business back on its feet.
- Buy a policy that fits into your budget and will address your short-term cash needs in case of tragedy.
- Ask us to get some quotes from different insurers.
- Check rates for different levels of coverage (\$100,000, \$500,000, etc.)

We can check rates for you
CALL US: 415-461-RISK

