

NC Industrial Commission

Safety Bulletin

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July - 2005

Greetings in the Name of Safety:

We hope that you were able to attend the 75th NC Statewide Safety Conference this year. We had a great conference and are looking forward to next year's. Please mark your calendar's now for May 9-12, 2006. Joseph Koury Convention Center in Greensboro, NC!

Please pass this along to those you know who might desire to be on our email list. Have them to forward their information to me at parnell@ind.commerce.state.nc.us or to their area **Safety Representative** as soon as possible. For those of you with SPAM software, you will need to add brantomail@blast.com to your "White List" or "Accept" list. Your IP service can help you with this. If that is not an option, provide us with a personal email address if you have or can create one.

A Proven Formula for Reducing Costs Contributed by: Tim Cummings at: office@blueridgeriskservices.com

An often-overlooked opportunity for employers to reduce their workers' compensation costs is hidden within the calculation of their Experience Modification Factor (EMF). The EMF is used by insurance companies to determine whether a premium is adjusted up or down. Anyone who works in safety or workers' compensation should understand the EMF calculation process and the key issues impacting their EMF.

Business people are often unaware that they can make strategic decisions to lower their EMF and therefore reduce their insurance premiums. A dedicated combination of safety programs and workers' compensation cost control programs are needed for businesses to control and reduce their EMF.

Calculating the Experience Modification Factor

There are three factors that are used to calculate an EMF:

- **Class Code**
- **Payroll**
- **Claims cost—Paid plus reserves**

A simple example of the EMF process follows. The calculation of the EMF begins by grouping employers within the same industry as determined by their class code. The claims experience of each employer is then compared to the expected losses. If an employer's actual losses are lower than expected, that employer will have a credit EMF and receive a premium reduction. Employers with losses above expected claims experience will have a debit EMF; and they will pay a higher premium because of that score.

A good way to grasp the significance of the EMF is to consider the claims experience of two employers who are in the same industry and with the same payroll.

Experience Modification Factor Calculation Example	
Class Code	Rate x Payroll x EMF = Standard Premium
Class Code	Payroll
Rate--\$4.00 per \$100.00 of payroll	\$2,000,000
Employer A: EMF of .90 the standard premium is \$72,000.00	
Employer B: EMF of 1.20 the standard premium is \$96,000.00	
A 30-point swing in the EMF results in a premium difference of \$24,000.00.	
Credits and other changes will be added to arrive at the final premium.	

A comprehensive review of the EMF calculation process can be found at North Carolina Rate Bureaus site: www.ncrb.org.

EMF Calculation Guidelines

Following are some essential aspects of the Experience Modification Factor calculation process that can help companies reduce their costs.

- The EMF for most employers uses data for three policy years. For renewals in 2005, data from policy years 2003, 2002 & 2001 are used. For the 2006 renewal, 2001 falls off and 2004 comes into the data mix
- The data for EMF Calculation is submitted to the rating agency six months before the policy renews. For a business with a renewal date of January 1, 2005, the data will be submitted by June 30, 2004. Any changes in the data, e.g. claim reserves, which occur after June 30, 2004 will not be considered in this renewal calculation. Claim file reviews that focus on cost reduction need to be completed before this deadline so that files are closed and reserves are at their proper level on time.
- Lost time claims have a greater weight than medical claims when used to calculate the EMF. Employers who offer a structured return-to-work program for disabled employees will reduce their EMF.
- Since the EMF is composed of data from payroll and claims, the EMF worksheet is an important document that must be reviewed for accuracy. It is common to find errors in the data, which causes an incorrect calculation of the EMF.
- Employers need to verify that they are using the proper class codes. Incorrect codes generally result in a higher premium.

- Employers with a high frequency of claims will be penalized greater than employers who have had a single severe loss. Proactive processes and corporate-wide training are essential to the reducing frequency of claims.

Workers' compensation is not a fixed expense. It is an opportunity to improve net income. The above EMF planning strategies are an example of how much power the employer actually has to reduce and control these costs. However there are other cost drivers impacting your total cost.

FOR IMMEDIATE RELEASE

2,000 Employees Suffer Work-related Eye Injuries Every Day
in the United States

*Statistics Show Younger Men Receive the Most
Eye Injuries in the Workplace*

City, ST (Date) - **As many as 2,000 employees in America suffer work-related eye injuries every day, and 81 percent of those cases are men. And, according to the U.S. Bureau of Labor and Statistics, workers aged 25-44 accounted for 62 percent of eye injuries.**

Getting all workers and employers to understand the importance of wearing safety goggles and glasses continues to be a challenge. More than one in four cases of eye injuries occur at work with as many as 50 percent of those injured wearing no eye protection at all.

Prevent Blindness America (PBA) has designated March as "Workplace Eye Health and Safety Month" in an effort to raise awareness about the necessity of eye safety on the job. Because they don't feel comfortable or feel they "look good," many workers have expressed their reluctance to wear safety glasses. PBA hopes to remind everyone that although safety glasses may not be the most fashionable accessory, they are certainly more attractive than spending a day in the emergency room, or worse.

Additionally, of those that were injured, many either didn't think they would need eye protection, or were wearing the wrong kind. Only eye protection that has been certified by the American National Standards Institute should be used. Everyone must make sure that "ANSI Z87" is clearly stamped on the frame or lens.

Employers must make eye safety a priority. As of 2003, the U.S. Department of Labor estimates that eye injuries total more than \$300 million a year in lost production time, medical expenses and worker compensation. Therefore, in certain industries, a face shield and goggles should be absolutely mandatory to protect workers from chemical splashes, or welding light and electrical arc. The Occupational Safety and Health Administration (OSHA) requires that employers ensure the safety of all employees in the work environment, including providing eye and face protection whenever necessary.

"We already know that 90 percent of all job-related eye injuries can be prevented," said **Janie Lewis**. "When employers and workers join together to make their job sites safer, the results will be dramatic."

Prevent Blindness offers the following tips to promote safety in the workplace:

- Safety eyewear must have "ANSI Z87" clearly marked on all glasses or goggles and should be worn at all times whenever eye hazards are present.
- Workers should know where the nearest eye wash station is at their job site and how to use it.
- Employers should be notified immediately if safety hazards are discovered.
- Employees should have regular eye exams to make sure their vision is adequate to do their jobs safely.
- Those who already have reduced vision should ask their employers if prescription glasses or goggles can be provided.

PBA offers several free fact sheets and brochures to safety managers and consumers: *2002 Workplace-Related Eye Injuries*, *Eye Safety is No Accident*, *Questions on Eye Safety at Work*, and *Workplace Safety Quiz*. The organization also sponsors *Wise Owl*®, a safety education program designed to promote the widespread use of approved protective eyewear that meets ANSI Z87 standards.

About Prevent Blindness America

Founded in 1908, Prevent Blindness America is the nation's leading volunteer eye health and safety organization dedicated to fighting blindness and saving sight. Focused on promoting a continuum of vision care, Prevent Blindness America touches the lives of millions of people each year through public and professional education, advocacy, community and patient service programs and research. These services are made possible through the generous support of the American public. Together with a network of affiliates, divisions and chapters, it's committed to eliminating preventable blindness in America. For more information, or to make a contribution to the sight-saving fund, call 1-800-331-2020 or visit us on the Web at www.preventblindness.org.

Our Video Library is now ONLINE! Go to our web site, www.comp.state.nc.us click on **SAFETY, TABLE OF CONTENTS, VIDEO LIBRARY**. You can view and print the request form and video list. Please don't forget to check out the other titles available for "FREE" rental. Just send in a request form to our address above or give us a call 919-807-2603 if you have questions.

Heads up!

Taking a look at hard hats

Each year there are thousands of head injuries in the construction industry. Injuries range from major concussion to death, minor abrasions to trauma, and even electrocution.

How do hard hats help?

Head injuries are caused by falling or flying objects or by bumping your head against a fixed object. Other head injuries are from electrical shock and burns. Hard hats are designed to do two things: resist penetration and absorb the shock of a blow. Hard hats lessen injury because they are designed with a hard outer shell and a suspension system inside.

When to use hard hats

When you are working in an area where there is a possible danger of head injury from impact, or from falling or flying objects, or from electrical shock or burns, you must wear a hard hat.

Types of PPE for the head

Hard hats fall into two types and three classes and are intended to provide protection against a specific hazardous condition.

The types include:

- Type 1 — full brim (at least 1¼ inches wide).
- Type 2 — no brim, peak extending forward from the crown.

The classes of hard hats are:

- Class A — general service, limited voltage protection.
- Class B — utility service, high-voltage protection.
- Class C — special service, no voltage protection.

Caring for your hard hat

You should take proper care of your hard hat to prolong its life and your safety.

- Check your hat daily for signs of dents, cracks, or penetration. **Do not use** if any of these signs are found. This inspection should include the shell, suspension, headband, and sweatband.
- Do not put your hat on the rear-window shelf of a car. Sunlight and heat can affect the degree of protection the hat gives you.
- Clean your hat once a month in warm, soapy water. Scrub and rinse the shell with clear, hot water.
- Do not paint your hard hat. Some type of paints and thinners may damage the shell or weaken the hard hat itself.
- It's **YOUR** head, please protect it!

ALL Regional Safety Council Brochures are now on the Web page. Go to our web site, www.comp.state.nc.us click on [SAFETY, TABLE OF CONTENTS, NC REGIONAL SAFETY COUNCILS](#) and you can view and print the Safety Council brochure of choice. Don't forget that the Safety Talk Contest brochure is now online also. Go to our web site, www.comp.state.nc.us click on [SAFETY, TABLE OF CONTENTS, NC REGIONAL SAFETY COUNCILS, OTHER PROGRAMS](#). You can view and print the SAFETY TALK brochure.

Insight...

The average human heart beats 100,000 times a day. Make those beats count.

Either you decide to stay in the shallow end of the pool or you go out in the ocean.

-Actor Christopher Reeve (deceased)

Flexible people never get bent out of shape!-Unknown

Upcoming Events... 2005

1. July 14, 2005 - Eastern Safety Council Safety Quarterly Meeting - Parker's Barbeque
Greenville, NC - 6:00 p.m.
2. July 19, 2005 - Western Carolina Safety Council - Summer Outing, Governor's Western Residence,
Asheville, NC 6:30 p.m.
3. July 21, 2005 - Blue Ridge Safety Council Quarterly Meeting - American Red Cross, Shelby, NC
6:30 p.m.
4. July 27, 2005 - NCALGESO Annual Conference, Ramada Inn, Wilmington, NC
5. July 28-29, 2005 - Wilmington Safety School, Hilton, Wilmington, NC
6. August 18, 2005 - Southeastern Safety Council Quarterly Meeting, TBA
7. September 27, 2005 - Western Piedmont Safety Council Workshop, The Hub, Hudson NC

Upcoming Events... 2006

1. May 9-12, 2006 NC Statewide Safety Conference, Joseph Koury Convention Center,
Greensboro, NC

The ***NC Industrial Commission Safety Education Section*** stands ready to assist you with your Safety training needs. We offer a variety of courses, designed to suit your needs. Please give one of our Safety Representatives a call...

- **Mel Harmon** - Mid-State Area - 919-218-3374 Cell, 919-545-6041 Office
harmonm@ind.commerce.state.nc.us
- **Alvin Scott** - Eastern Carolina Area - 919-218-2792 scotta@ind.commerce.state.nc.us
- **Eric Johnson** - Western Carolina, Blue Ridge & Southern Piedmont Areas - 919-218-3567
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- **Randy Cranfill** - Western and Central Piedmont Areas - 919-218-2986 Cell, 336-679-8493
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- **Dennis Parnell** - Director - 919-218-3000 Cell, 919-807-2602 Office
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As you schedule your safety training classes for the year, don't forget our Safety Education Services, **No Charge!** Call early to get on our calendars!

We Are Working For You !