



Workers' Comp Key Metrics You Must Know

June 21st, 2022

Hosted By:

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PRESENTERS



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MBA, JD

VP, CLAIMS



ANTHONY POSTON

ARM, AIM

CEO / RISK MANAGER



Presentation Housekeeping



WORKERS' COMP



SAFETY / OSHA
COMPLIANCE



FRAMEWORK FOR
RISK MANAGEMENT



Q&A TO FOLLOW

Today's Topics

1. How to leverage technology to achieve your safety/Work Comp goals
2. How to set annual goals and monthly Key Performance Indicators (KPIs)
3. How to leverage business intelligence data to monitor your organization's risk
4. How to turn your results into Workers' Compensation insurance "credits" (savings)
5. Case study

Risk Management thoughts...



WORKERS' COMP

THE GREAT APPLICATION
NEW EMPLOYEES = INCREASED RISK
WORK COMP RATES ↑



COMPLIANCE

HIGHLY REGULATORY MARKET AND
ADMINISTRATION
MORE PREVALENT OSHA WITH
INCREASED CITATIONS & FINES



MARKETING

CARRIER MARKETING
CARRIER CREDITS
BIDDING ON PROJECTS
SELLING YOUR BUSINESS

Establishing Your Safety Committee

Building a team &
creating accountability.



POLL 1

Do you have a safety committee that meets monthly?

YES

NO



SWOT Analysis

Strengths

Weaknesses

What are the strengths of our safety program?

What are the weaknesses?

e.g., Consistent and effective safety committee meetings

e.g., Inconsistent inspection program

Internal

- 1.
- 2.
- 3.
- 4.
- 5

- 1.
- 2.
- 3.
- 4.
- 5

Opportunities

Threats

What are our opportunities for improvement?

What are our external threats?

e.g., Increased training from online resources

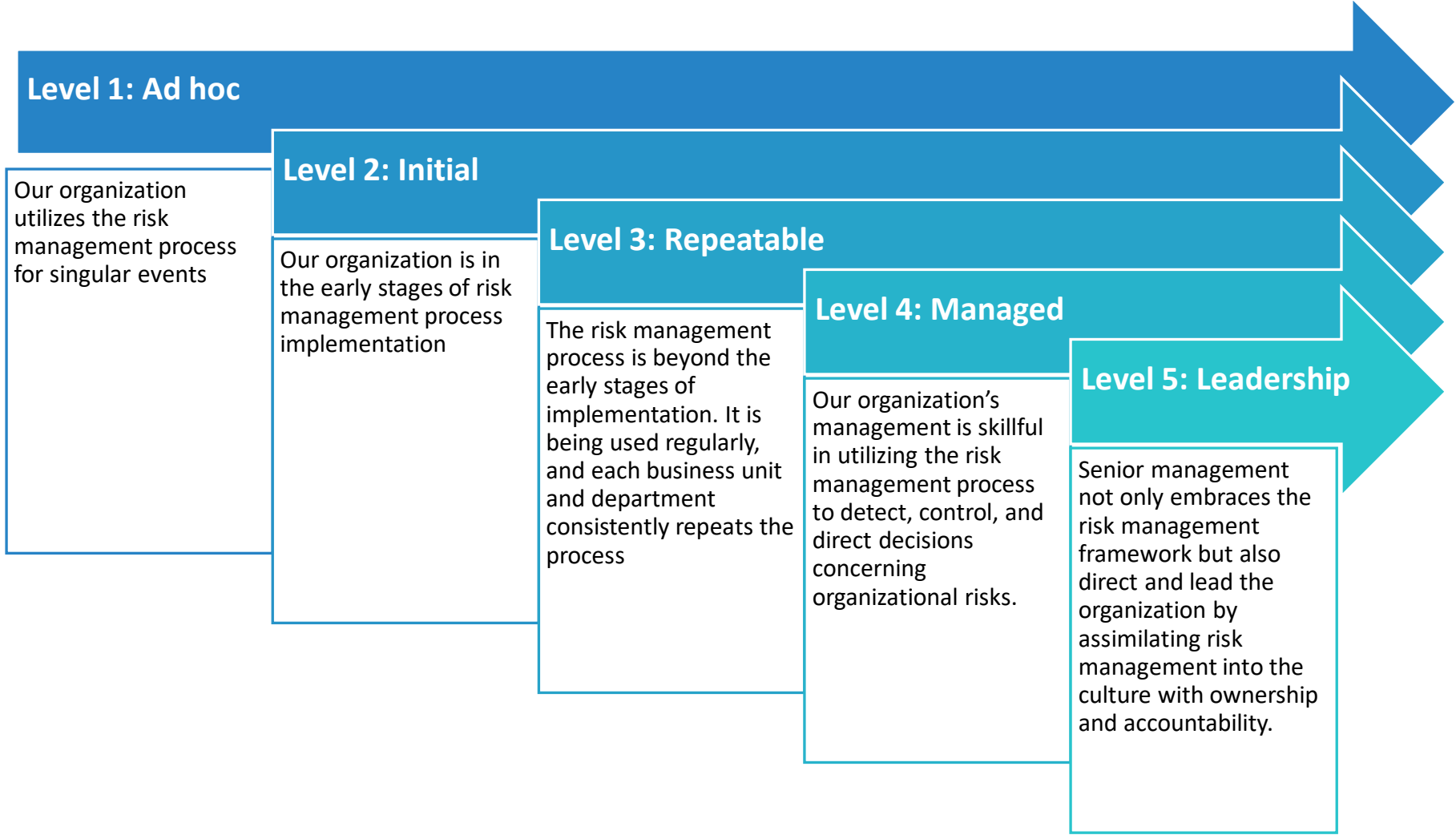
e.g., Cal/OSHA compliance

External

- 1.
- 2.
- 3.
- 4.
- 5

- 1.
- 2.
- 3.
- 4.
- 5

Risk Maturity Levels



What will it take to move to the next level?

Examples:

1. Supervisor training, accountability and empowerment
2. Consistency of training (monthly) and tracking
3. Establishment of policies and procedures (JSAs) (and training)
4. Emergency Action Plan
5. Personal Protective Equipment policy and management
6. Implementation of the NHSO

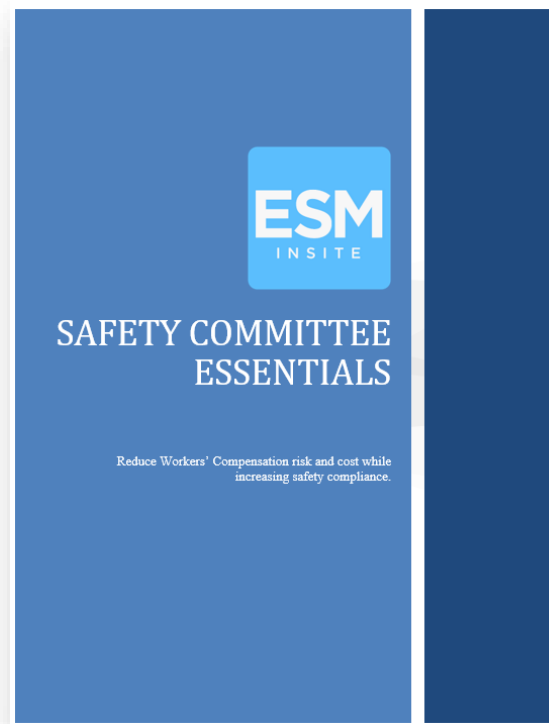
Goal: Is to be a level __ by Q __ 202__

Safety Committee

An active and effective safety committee whose membership and functions are reflective of the Company's size, complexity, and operating exposures will play a key role in the overall performance of the Company.

The Safety Committee is established to be of benefit first and foremost to the employees it represents, but it is also established as a safeguard and protector of the Company's assets.

Download ESM's Safety Committee Module and watch the Safety Committee computer-based Training



[DOWNLOAD HERE](#)



[WATCH HERE](#)

Leveraging Technology in Risk Management

Inspections, online training, PowerBI

AIU 1,822 (-35)	HJI 20,369 (+580)	WWE 890 (-20)	PLO 6,350 (-200)	EER 10,985 (+580)	QRT 665 (-15)	OPY 6,800 (-115)
MBC 3,605 (+210)	LJH 9,542 (-128)	MJB 2,609 (+35)	PON 7,654 (+169)	NFR 6,522 (+122)	UGH 1,632 (-54)	OMJ 3,652 (+182)
YBV 3,204 (-33)	QMN 5,211 (+156)	MMJ 7,100 (-60)	IIT 7,150 (-150)	KLM 782 (+74)	CCX 1,901 (+101)	EMH 3,280 (-120)
MBR 3,620 (-20)	WFF 712 (+12)	HJM 134 (+5)	OLC 2,022 (-18)	LSD 631 (+40)	SDH 6,287 (-57)	GHS 12,430 (+330)

POLL 2

Do you have a 2022 Risk Management Plan (goals, KPIs, initiatives)?

YES

NO



Leveraging Technology



Digital Inspection App
for site audits
and trend
aggregation



Learning Management System
for digital training
recordkeeping



Task Manager
for managing
team's monthly
tasks



Cloud Based Compliance Library
for sharing
policies and
managing
recordkeeping



PowerBI for KPI Dashboard
and monthly
safety
committee
analysis

Digital Inspection App

Conduct inspections utilizing a digital application.

Establish a monthly scorecard and aggregated trends.

Leverage those trends into safety trainings and awareness campaigns.

Benefits:

- Efficiency in reporting
- Data aggregation
- Track results vs. goals



Online Training (LMS)

Online Safety Training Learning Management System (LMS)

- 5-8 min training can be assigned to employee
- Employee completes training and quiz
- Certificates of Completion are issued to each employee
- Employee statistics are tracked by the Administrator as a KPI

Benefits:

- Digitization of training
- Centralized real-time tracking and reporting
- Digital recordkeeping of certificates by employee
- Satisfies OSHA Compliance requirements

The image displays a collage of screenshots from an LMS interface. The top left screenshot shows a 'Team Overview' dashboard with a circular progress indicator for 34 users, categorized by 'Completed (3)', 'In Progress (8)', and 'Not Started (23)'. Below this are 'Badges Earned' (2) and 'Hour Consumed' (0). The top right screenshot shows a 'My Team' list with users Jane Learner and Joe Learner, each with completion status. The middle right screenshot shows a 'WELCOME!' screen for Joe Learner with a 'LEARNING LIST' containing items like 'Back to Work, Back to Safety (English)' and 'Bloodborne Pathogens Safe Practices (English)'. The bottom left screenshot shows a training video player for 'PREVENTING BACK INJURIES' with an 'EMPLOYEE TRAINING' header and a 'Start Course' button. The bottom right screenshot shows a 'CERTIFICATE OF COMPLETION' for Joe Learner from Little Italy Grill, awarded on 09/30/2021, with the ESM logo.

Task Manager

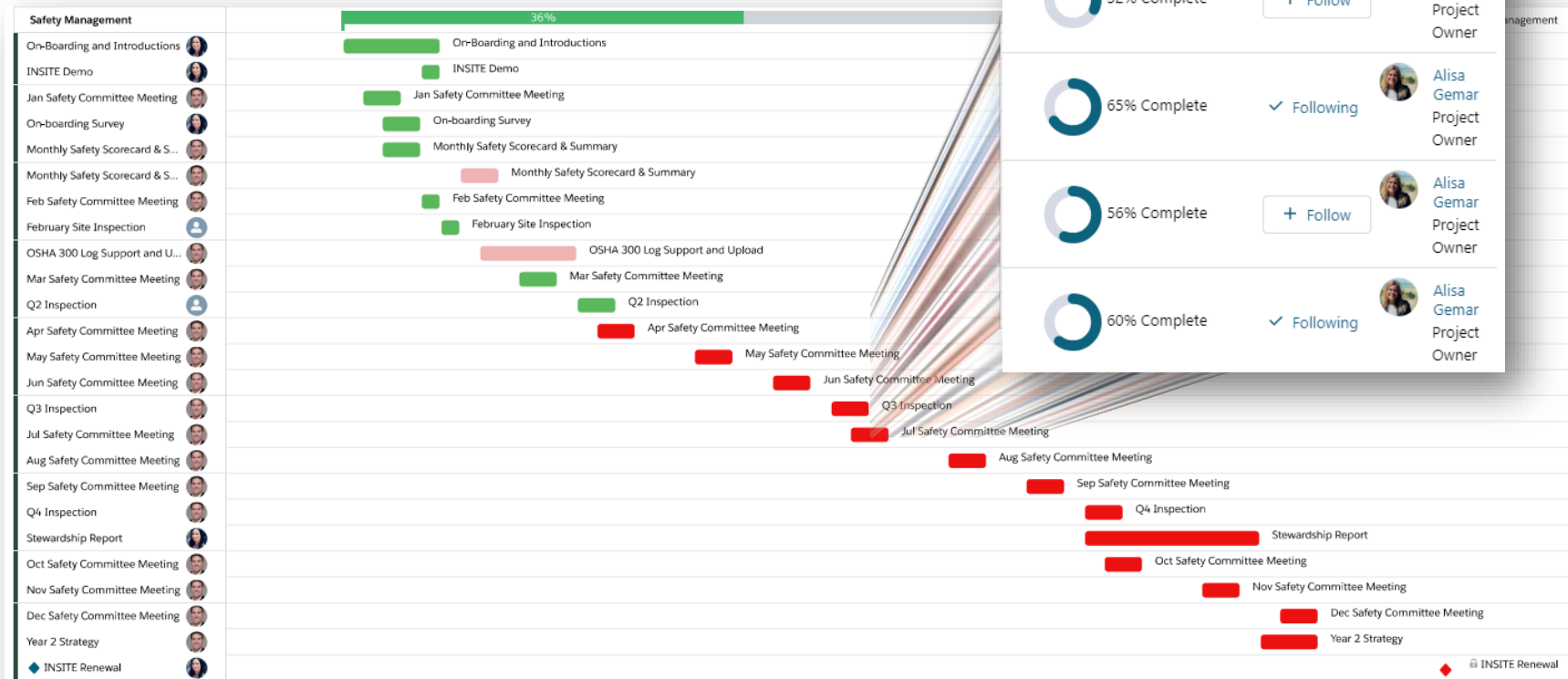
Leverage a task manager for assignment and completion of tasks.

Resources:

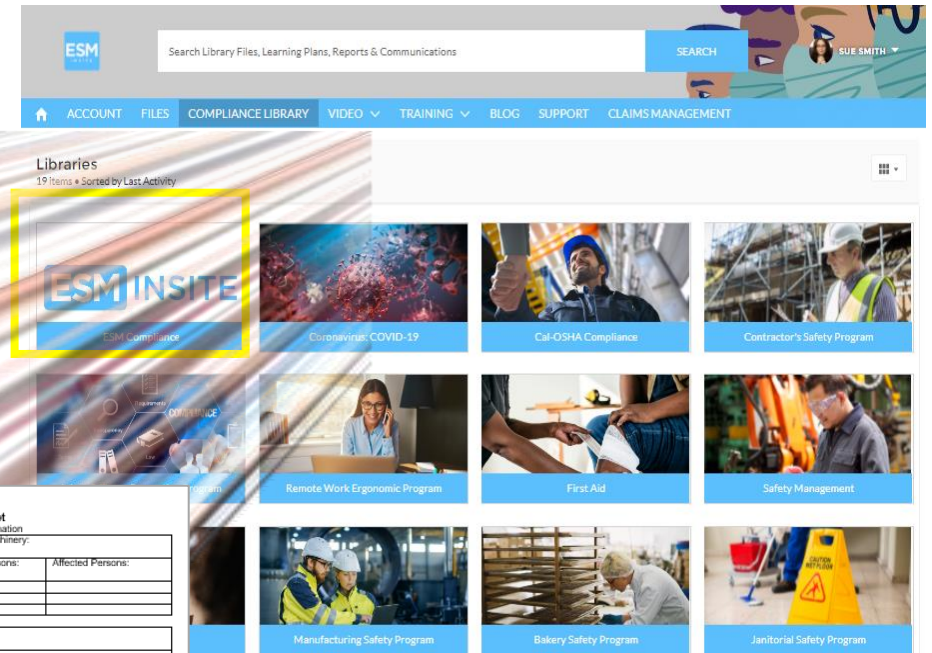
- TaskRay
- Trello
- Asana
- Basecamp

Benefits:

- Organization and assignment of required monthly tasks
- Accountability



Cloud Compliance Library



ESM INSITE

COVID-19 EXPOSURE CONTROL

REQUIREMENTS AND BEST PRACTICES FOR MITIGATING THE VIRUS

Our safety culture embraces the health and well-being of our employees. Creating a safe work environment is priority #1!

2021

[COMPANY LOGO]

Company Employee Safety Handbook

(IIPP, COSP, NIOSH)

Update

Employee Name: _____

Date of Hire: _____

Department: _____

This document provides policies, individual roles and responsibilities, general and specific requirements and procedures necessary to ensure a safe work environment and safety for all employees. Each employee will review this entire packet and will initial or sign as indicated to document individual review and understanding of the contents.

I. Lockout/Tagout Program

A. General Company name Policy

The purpose of this program is to establish policy and procedures to prevent injuries with unexpected energization or start up of machines or equipment during cleaning, repairing, servicing, setting up, and adjusting machines and equipment. Company name emphasizes the most effective way to prevent an electrical injury is to completely remove the source of electrical energy and eliminate the possibility of its reappearance.

The Safety Manager is the Lockout/Tagout Program Coordinator, who has overall responsibility for the program.

References
The following documents are referenced in this policy.

Document Type & Number	Document
CAL/OSHA Title 8 CCR	CAL/OSHA 3314 The Control of Hazardous Energy Setting Up, and Adjusting Operations of Prime Movers and Lockout/Tagout.
OSHA 29 CFR 1910.147	Control of Hazardous Energy

B. Definitions and acronyms (per CAL-OSHA Title 7 Section 3200)

Word or Acronym	Definition
Affected Employee	An employee whose job requires them to operate, clean, repair, service, set up, or adjust machinery or equipment, or whose job requires the employee to perform maintenance on that machinery or equipment.
Authorized Employee or person Energized	A person who locks out or tags out machines or equipment to perform maintenance or repair on that machine or equipment.
Energy isolating device	Mechanical device that physically prevents the flow of energy to a machine or equipment, but not limited to the following: A manually operated switch; a manually operated switch by which the machine or equipment is disconnected from all energy sources.
Energy Source	Any source of electrical, mechanical, hydraulic, pneumatic, chemical, thermal, or other energy.
Energy Control Program	A program consisting of energy control procedures, inspections to ensure that before any employee works on a machine or equipment where unexpected energization or start-up could occur and cause injury, the machine or equipment is rendered inoperative.
Locked out	The use of devices, positive means, and procedures to isolate or securing of prime movers, machinery, hydraulic, chemical, electrical, thermal, or other energy sources to prevent the machine or equipment from being energized.
Lockout device	A device that utilizes a positive means such as a padlock to prevent the energizing of a machine or equipment to be maintained.
Normal Production Operations	The utilization of a machine or equipment to perform its intended function.
Prime Mover	The source of mechanical power for a machine or equipment.
Service and/or Maintenance	Workplace activities such as constructing, installing, modifying, and maintaining and/or servicing machinery or equipment.

Lock Out - Tag Out Data and Procedure Sheet

Machinery or Equipment Information

Machinery Type: _____ Location of Machinery: _____

Machinery Unit #: _____ Authorized Persons: _____ Affected Persons: _____

Type of Maintenance Required: _____

Shut Down - Maintenance Procedure

Shut Down Procedure: _____

Personal Protective Equipment Necessary: _____

Energy Sources and LOTO Procedure

Energy Source	Lockable Control and Location	Blocking Method (if necessary)

Requirements for Testing Machine to determine lockout/tagout Effectiveness

Lockout Effectiveness Test: Try to start machine in the normal fashion, turn on equipment and test voltage (minimal procedure)

Blockout Effectiveness Test: _____

Procedure to follow if machine must have movement to perform specific cleaning or repair tasks

Extension Tool to be used: _____

Other means to protect employee: _____

Procedure for release from Lockout/Blockout prior to re-starting machine

Lockout Release Procedure: Tell affected employees that machine will be restarted.

Blockout Release Procedure: Beware of potential energy that could be released.

Tag Removal Procedure: _____

Pre-Start Notification Procedure: Tell affected employees that machine is ready.

Machine Energy Control (LOTO) Program Monitoring and Inspection Procedure

Date of Inspection:	Inspector:	Employees Performing LOTO:

Comments on LOTO Procedure followed: _____

Improper Procedures Identified and Corrective Actions Taken: _____

Management Approval and Date: _____ Safety Manager Approval and Date: _____



PowerBI

Microsoft Power Business Intelligence (BI)

Executive level dashboard with trending data provided monthly online. Data to include:

- Site Inspections
- Computer Based Training Scores
- Historical loss trending
- X-Mod comparison
- Supervisor accountability
- MBRs


Benefits:

- Leverage data for safety intelligence strategies and safety committee guidance.
- Maintain accountability of completing initiatives .



Risk Management Business Intelligence (BI)

Case Study:
Reducing injuries and costs by
optimizing Work Comp Key Metrics



AJU	HJI	WWE	PLD	EER	QRT	SPY
1,822 (-35)	20,369 (+580)	890 (-20)	6,350 (-200)	10,985 (+580)	665 (-15)	6,800 (-115)
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3,200 (-30)	712 (+12)	134 (+5)	2,022 (-18)	631 (+40)	6,287 (-57)	12,630 (+330)

OVERVIEW

■ Organization:

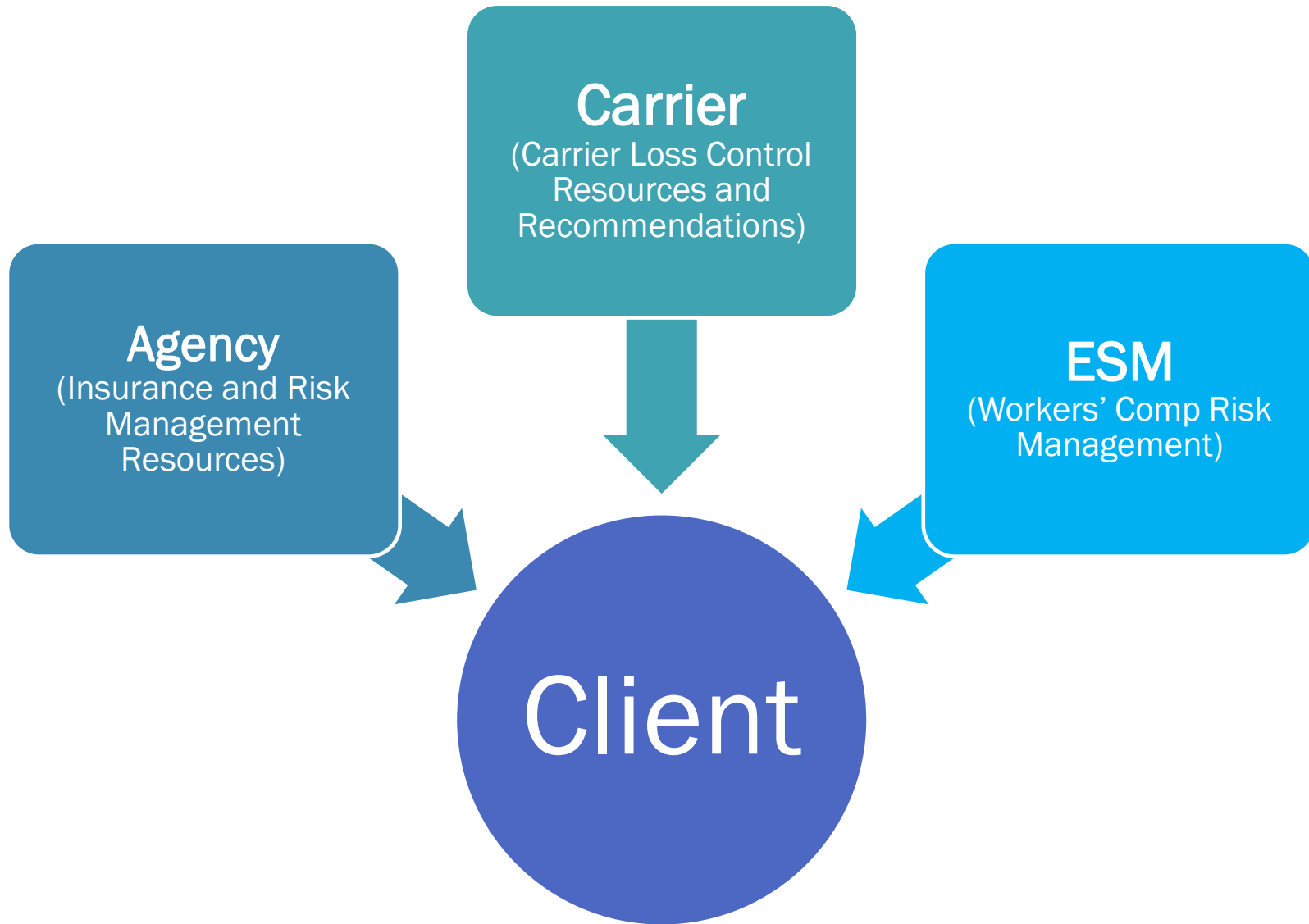
- 600 Employees
- 6 locations across 5 counties in the Bay Area
- Historically high frequency, severity and litigation (10+ ligated claims a year)

■ Safety Committee:

- Initiated a Safety Committees in April 2019
- Committee comprised of the Executive, Directors, Safety Leads, Supervisors
- External support services include ESM & Agency
- High level goals:
 - Reduce injury frequency by implementing relevant safety policies, procedures and best practices
 - Improve the company culture by implementing behavior-based mechanisms designed to improve morale through positive reinforcement
 - Leverage data to make monthly safety intelligence decisions

■ Claims Task Force:

- Monthly claims task force meeting
- Reduce injury severity by leveraging Medcor, return to work initiatives and claims management procedures with the carrier



Safety Committees initiated April 2019. Committee meetings continued monthly through 2019 - 2021 policy year.

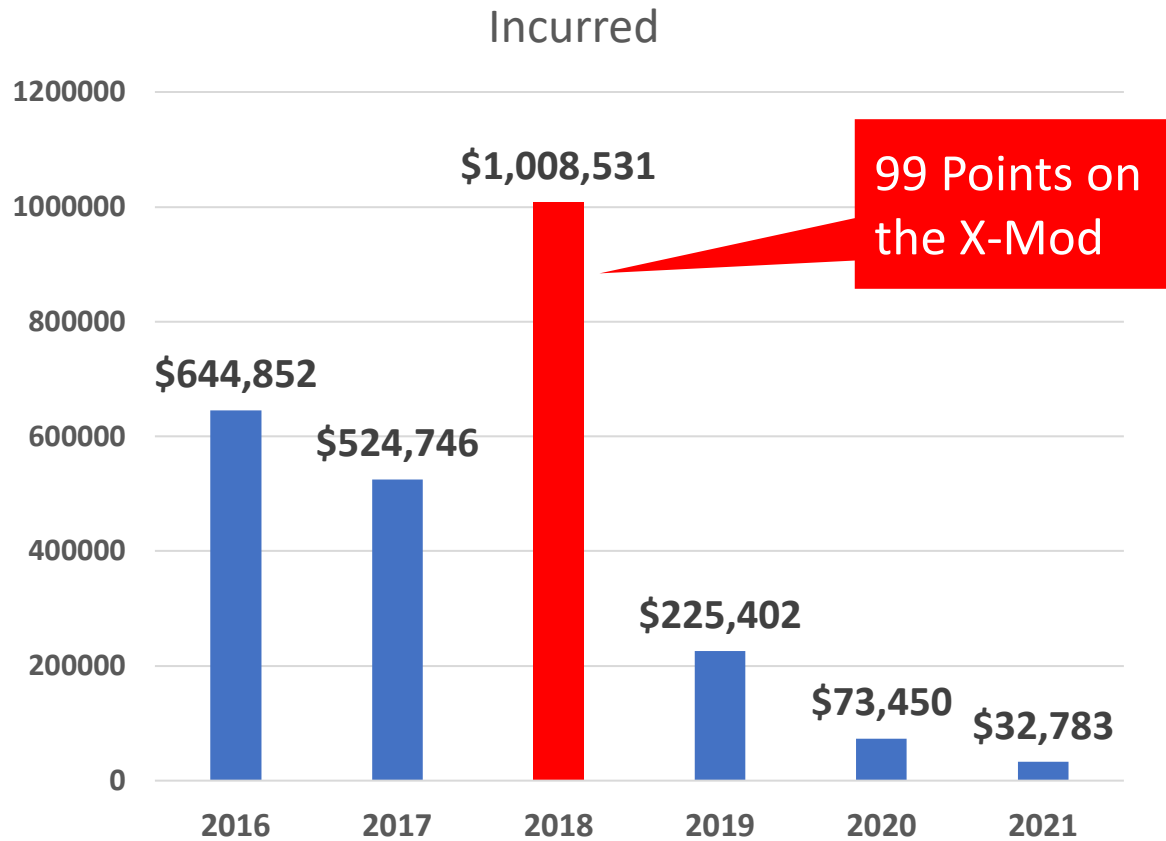
Aligned strategic partners to Risk Management goals and objectives

Ongoing support and resources from partners has provided the foundation to build a long-term, sustainable risk management program.

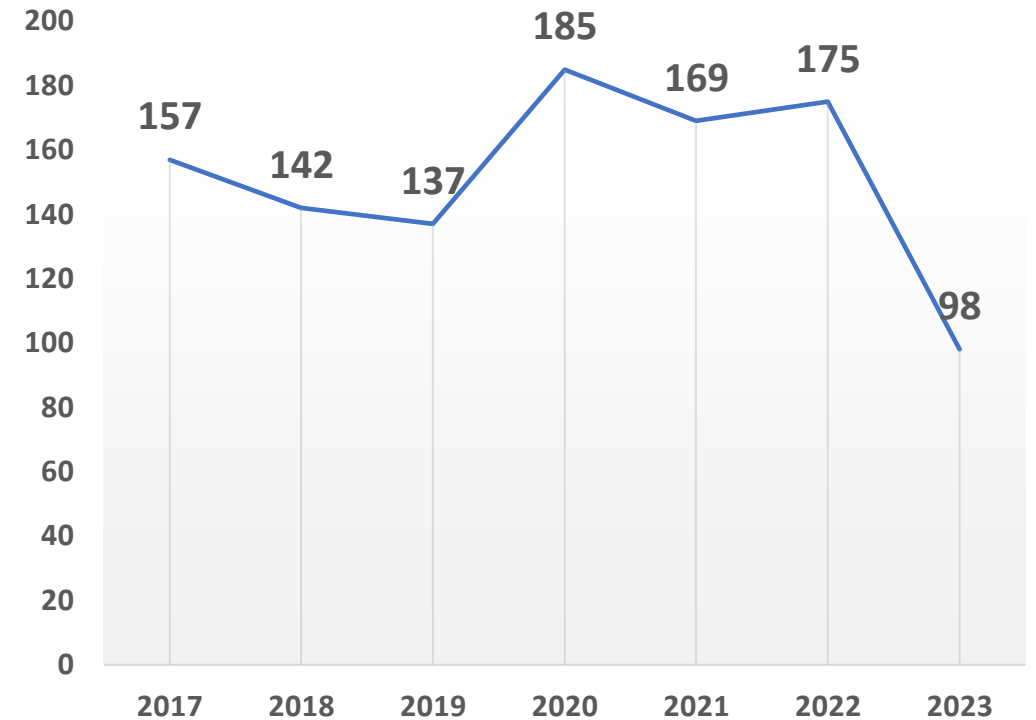
X-Mod = Lagging indicator

Current Primary Threshold \$38,000

Current Loss Free Rating 33%



X-Mod Historical Trend

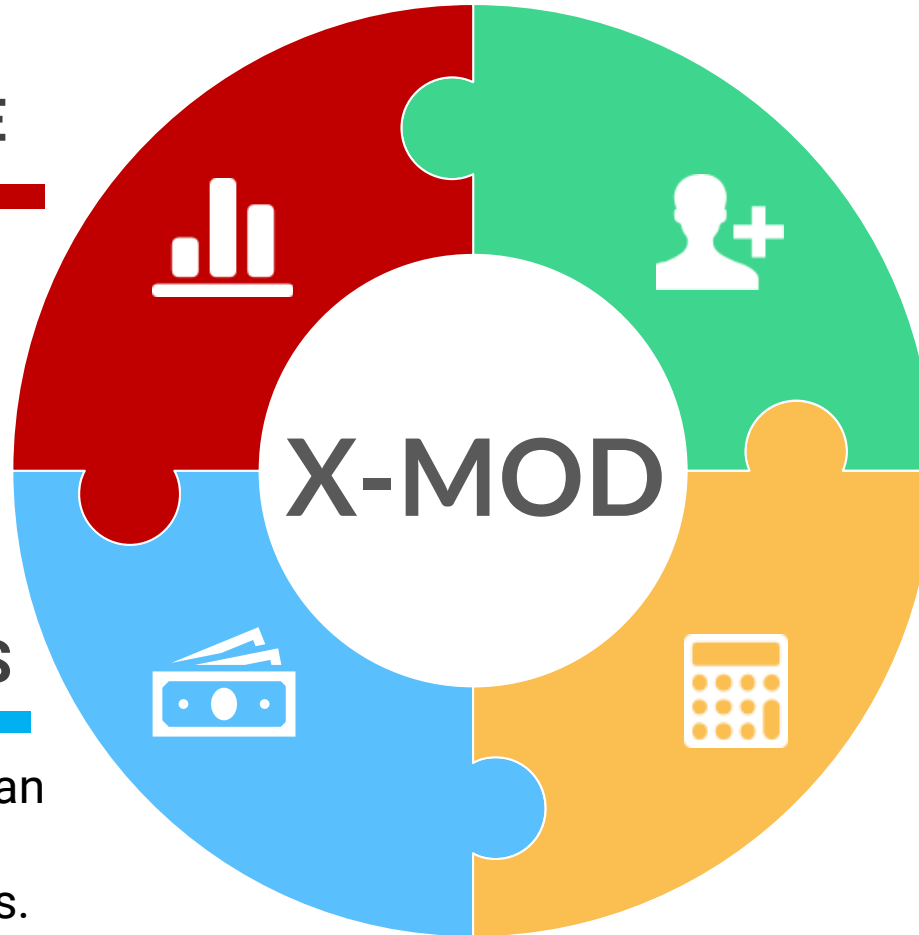


SAFETY CREDIT SCORE

Your past losses affect your future X-Mod.

INSURANCE PREMIUMS

A proactive safety program can control your X-Mod and Workers' Compensation costs.



INSURANCE OPTIONS

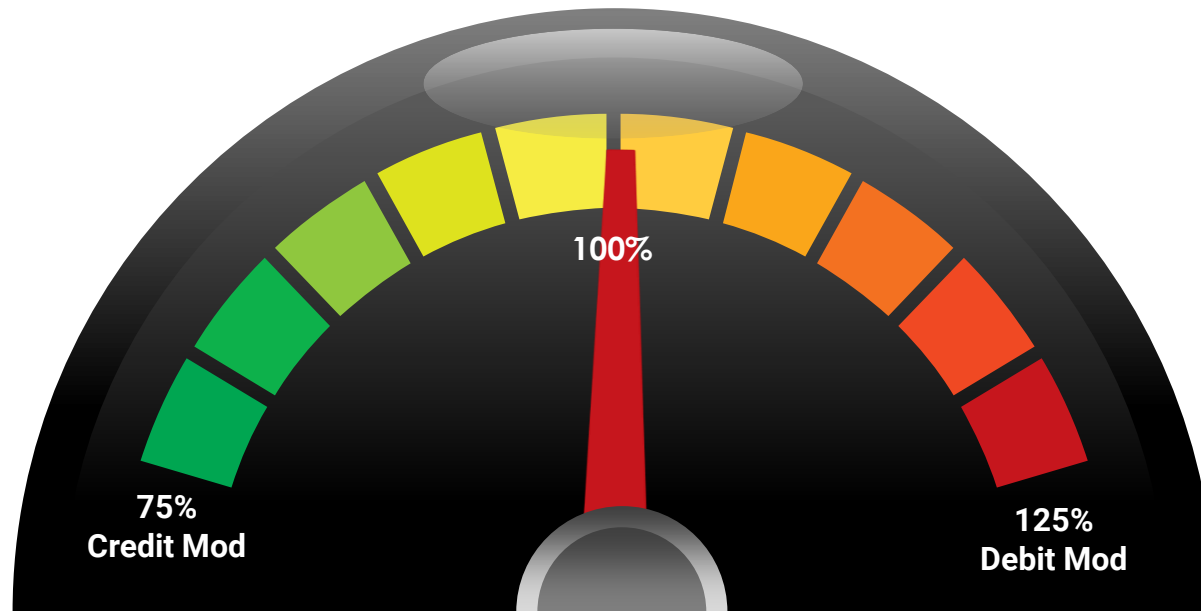
The better your X-Mod, the better the Insurance Carrier options as the lower your X-Mod, the lower the risk.

FINANCIAL INCENTIVE

Provides a financial incentive to reduce workplace injuries.

Bigger Isn't Better!

The higher the X-Mod, the higher the Workers' Compensation premium.



CREDIT MOD (75%)

\$75,000

Lower Workers' Compensation Premium
EXAMPLE

AVERAGE X-MOD (100%):

\$100,000

Average Workers' Compensation Premium
EXAMPLE

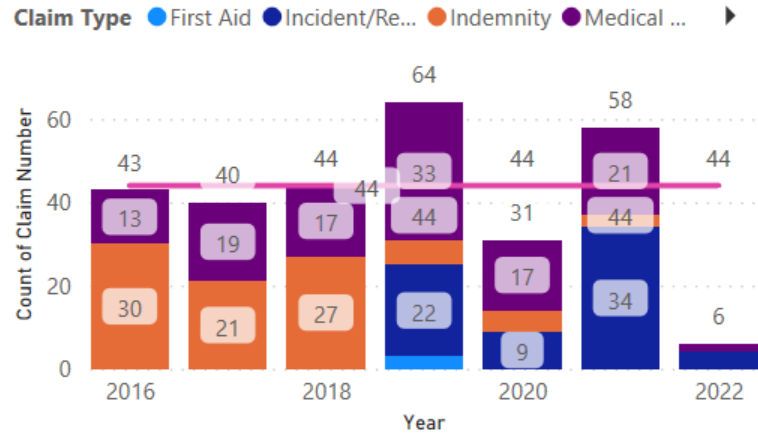
DEBIT MOD (125%)

\$125,000

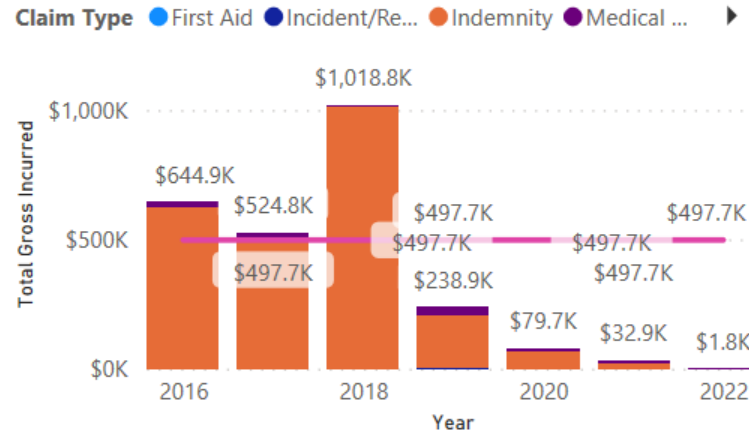
Higher Workers' Compensation Premium
EXAMPLE

Loss Trending

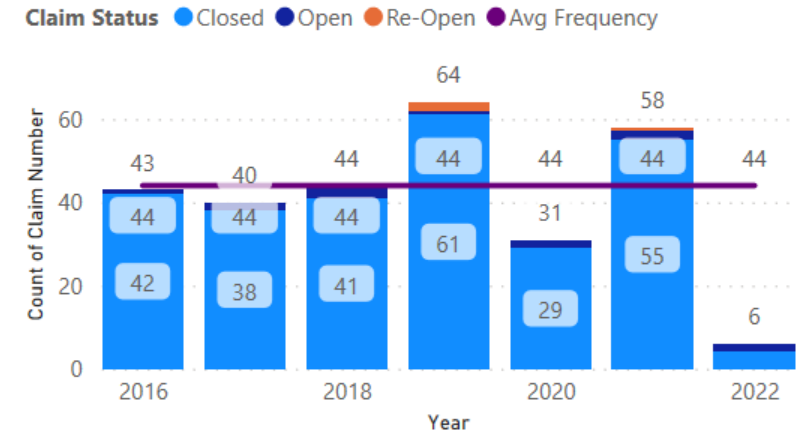
Claim Frequency



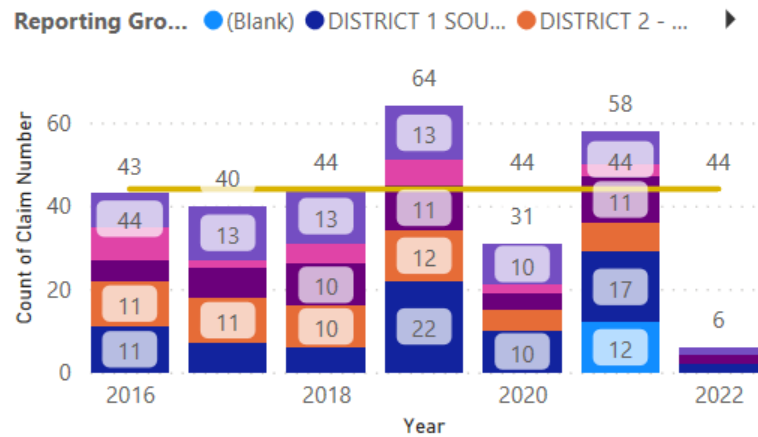
Claim Severity



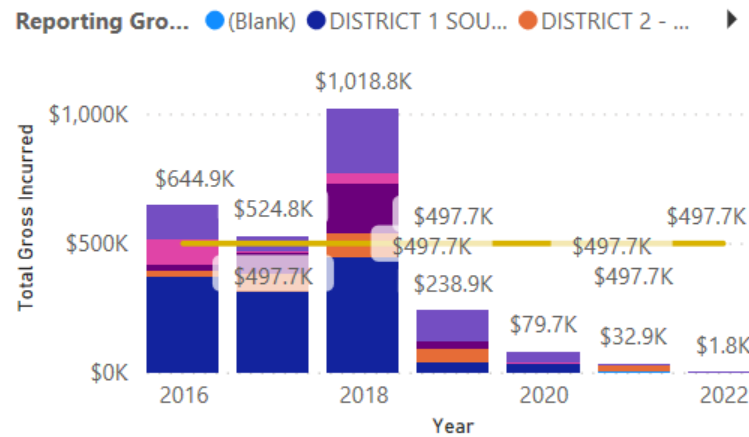
Claim Status



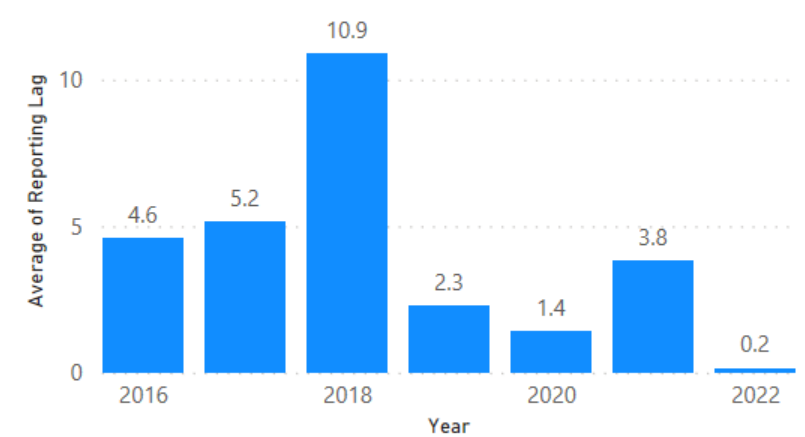
Claim Frequency by District



Claim Severity by District



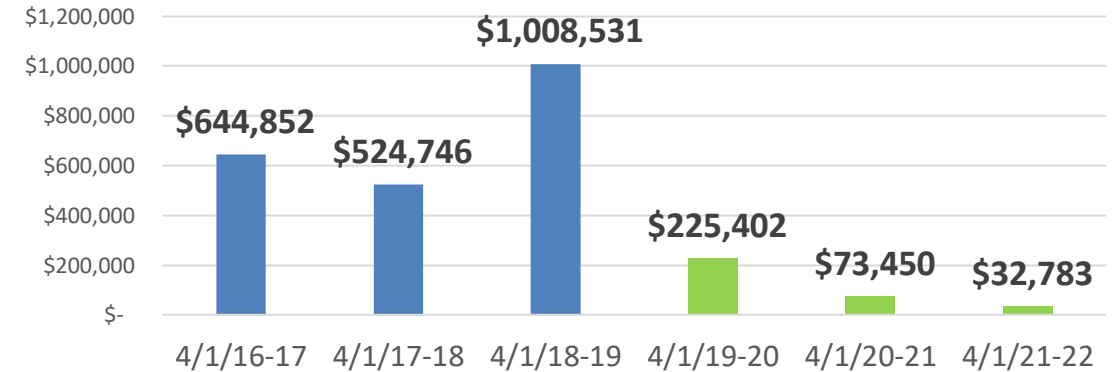
Average Reporting Time



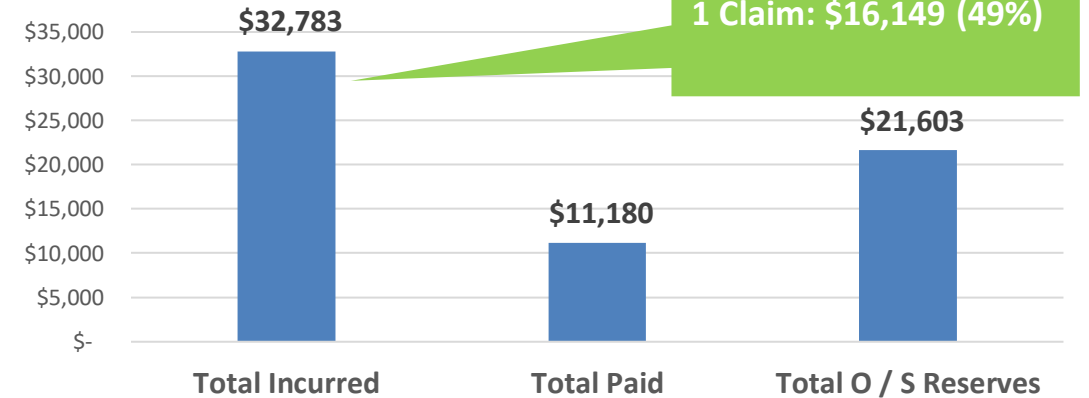
TOTAL INCURRED

- Total cost of claims (incurred) is at the lowest level in over 15 years
- Results due to enhanced safety program, utilization of MedCor, online training, safety recognition program, Business Intelligence dashboard, and other safety initiatives.
- The cost of claims has the greatest impact on the X-Mod. The lower the cost, the lower the X-Mod (over a rolling three-year period)
 - Long term goal: Reduce the X-mod below 100%

TOTAL INCURRED



INJURY SEVERITY 2021-22



Safety Goals

< 38 ✓

38 injuries or less

90% ✓

90% monthly training completion

12 ✓

12 safety meetings (1 per month)

75% ✓

75% of injuries reported to carrier
within 5 days







< 25 ✓

25 or less lost days

< \$150K ✓

\$150K or less in injury cots.
(Lowest in 5+ years)

Goals & Key Performance Indicators (KPIs)

KPI	Annual Goal	Monthly Goal	Result	Results
Injury Frequency (5 yr. Avg: 44)	< 38	< 3.17	< 37	
Injury Severity (5 yr. Avg: \$497K)	< \$150K	< \$12.5K	32K	
Reporting (Lag Time)	< 75% less than 5 days	< 75%	89%	
Safety Training	90%	90%	77%	
Inspection Score	90%	90%	93%	
Lost Days	< 25	< 2	2	

Monthly Safety Training

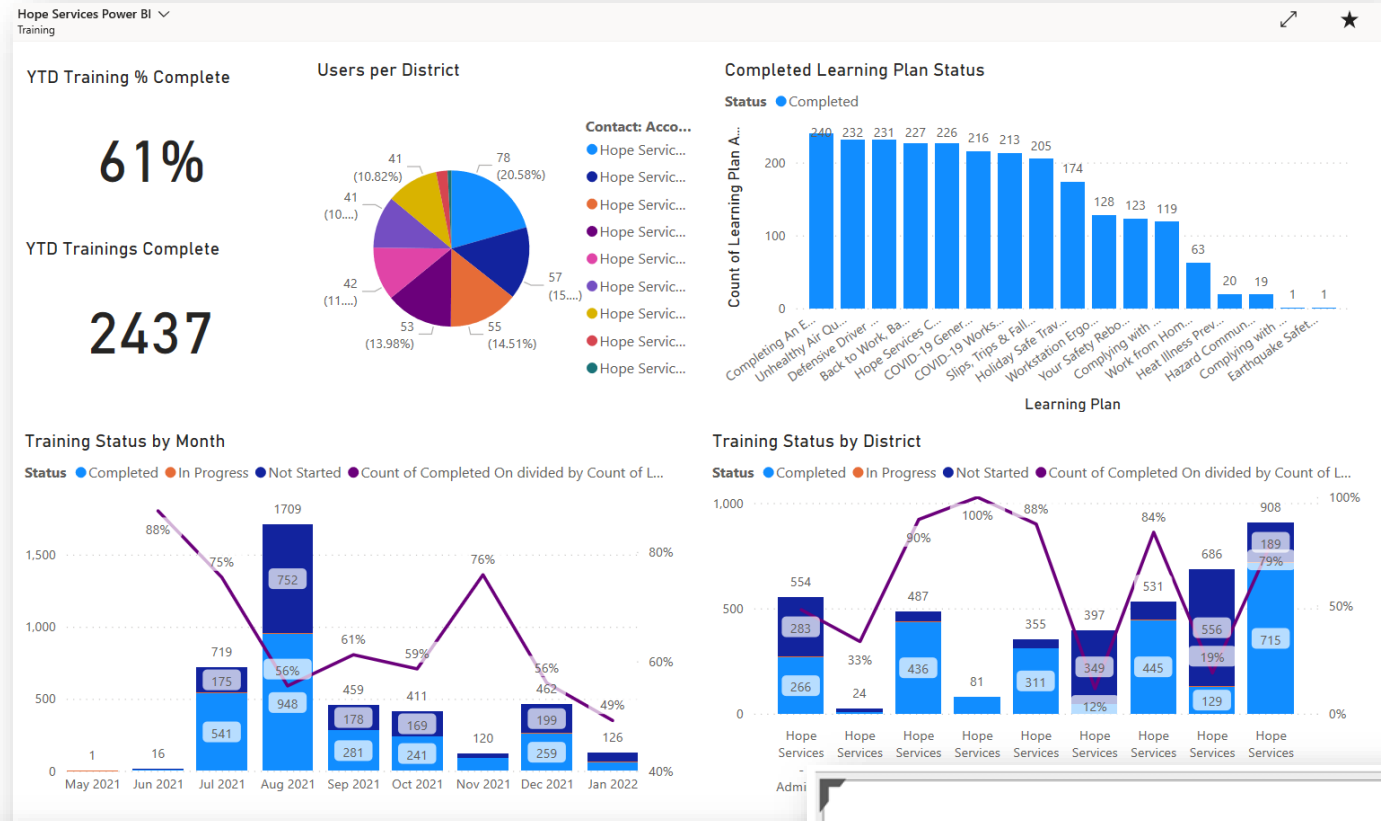
Launched the Learning Management System in July 2021. Safety trainings tracked by Department. Semi-monthly trainings provided to all employees

2,437

training certificates completed since July 2021

77%

monthly average completion rate. Lower % due to lack of devices available to certain departments, which is being corrected. Goal for 2022-23 PY: 90%



EMPLOYEE TRAINING

COMPLETING AN ENVIORNMENTAL SCAN

General situational awareness strategies and what to scan for in and out of the worksite.

[Start Course](#)

OUTLINE

1. COMP ENVIRON SCAN
2. Traini
3. Defin
4. Situat Awareness

Safety & Risk Management Compliance

CERTIFICATE OF COMPLETION

Awarded to:

For Successfully Completing

Completing An Environmental Scan (English)

Date of Completion: 08/24/2021

ESM

PREPARED

Completing an Environmental Safety Scan

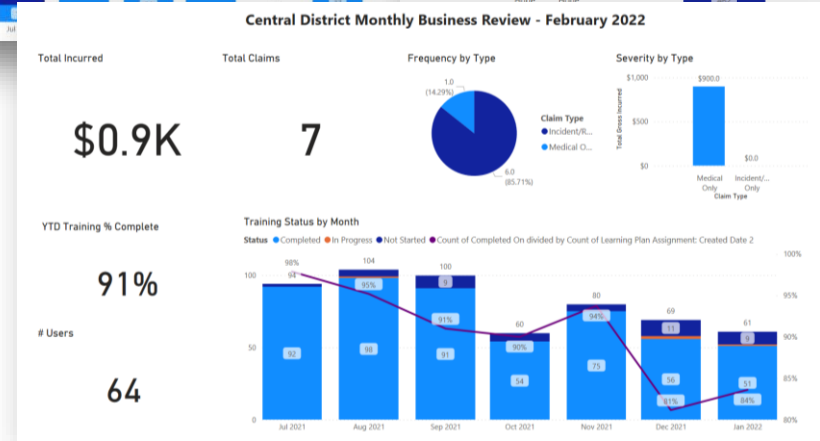
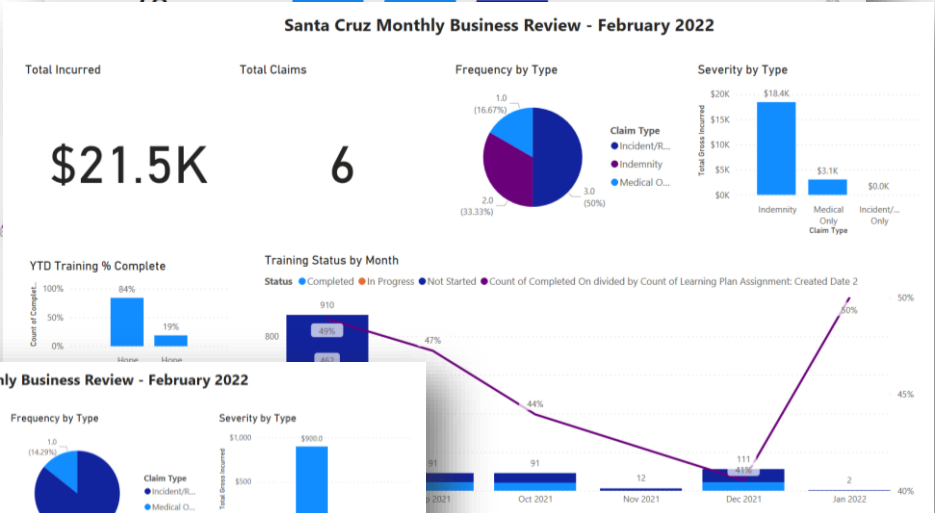
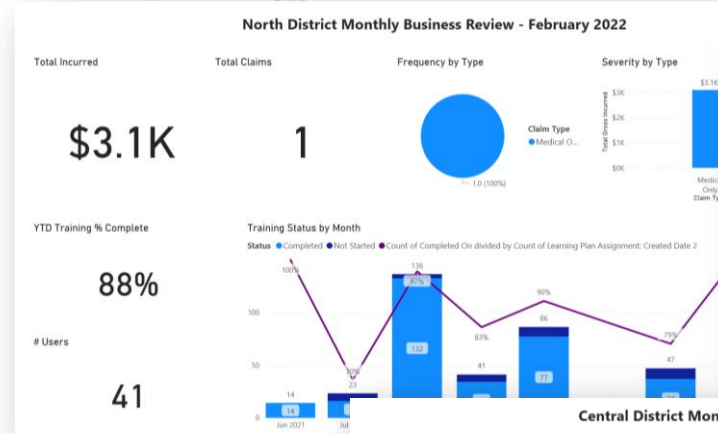
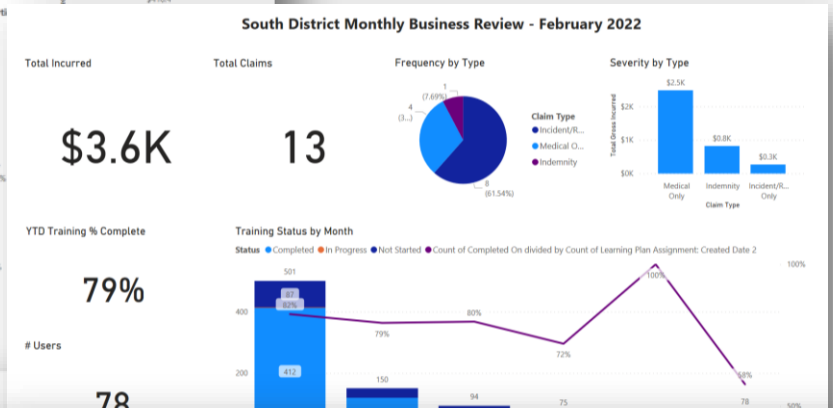
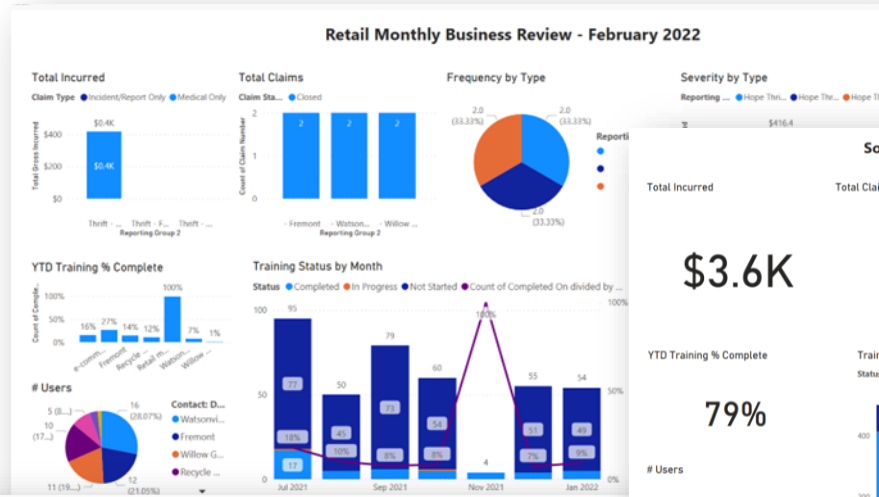
Department Specific MBRs

2021-22

Leveraging PowerBI, each Department now has its own KPI dashboard, and monthly business review (MBR) process.

Department safety committees meet monthly to review their progress, goals and then establish next month's safety initiatives.

Each committee's goals (Micro), roll up to the organization's goals (Macro), from which the data is tracked and reviewed monthly at all levels.



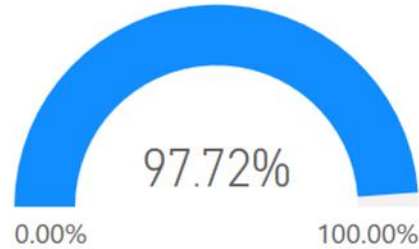
Monthly Safety Inspections

July 2021 – February 2022

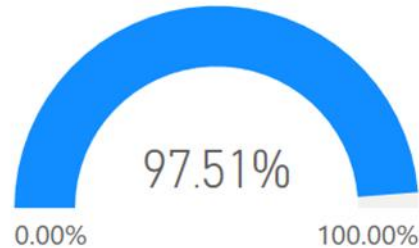
Launched a digital safety inspection application at Retail stores, to proactively identify hazards. Developed a custom inspection checklist to correlate with retail store hazards.

97%
Average inspection score.

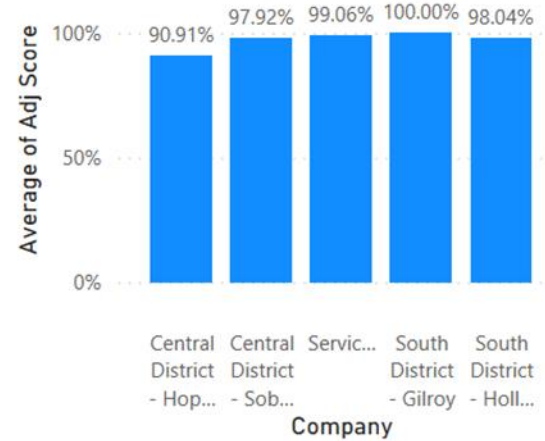
District Avg Inspection Score



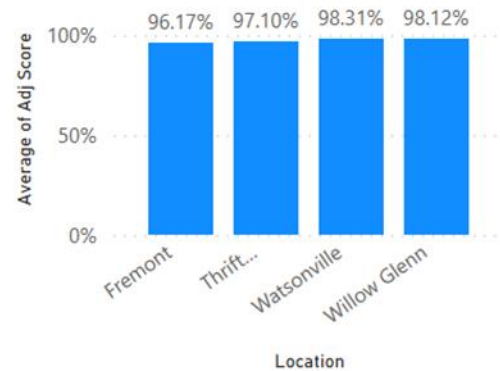
Retail Avg Inspection Score



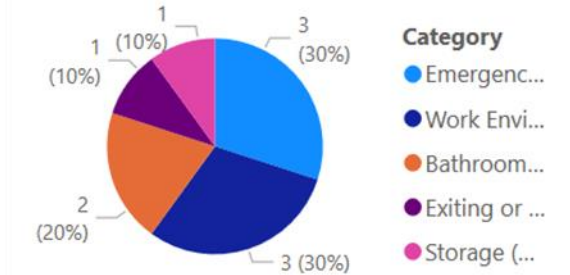
Avg Score by District Location



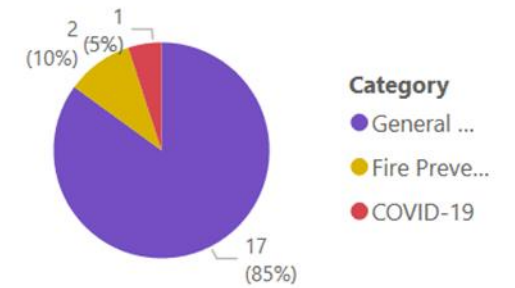
Avg Score by Retail Location



District Open Corrective Actions



Retail Open Corrective Actions

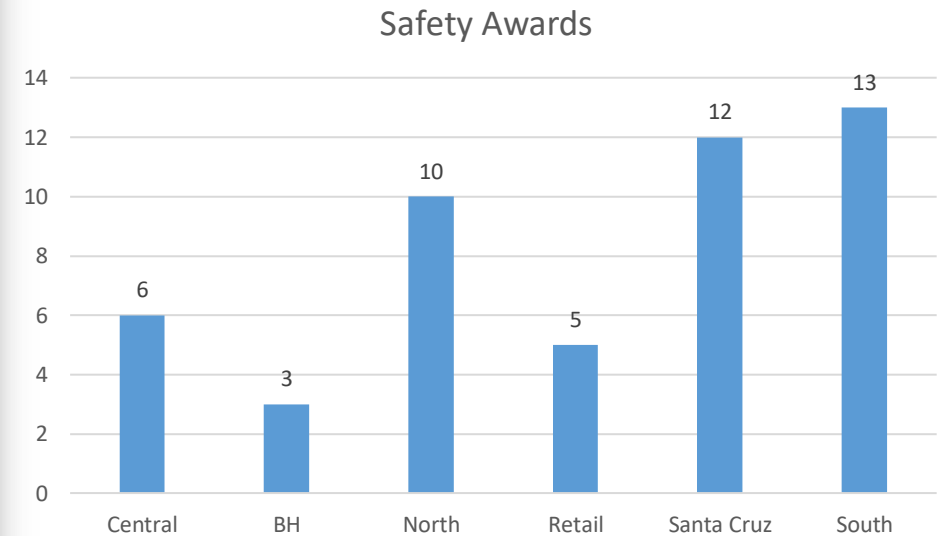


SAFETY AWARDS

49

Total Safety Awards
(9/1/21 - 2/2/22).

Awards provided to staff and clients for going above and beyond our safety standards.



RESULTS OF SAFETY PROGRAM

2022-23 Premium Credit: \$117K

2022-23 premium: \$537K

KPI	2016 – 18 Policy Years (Avg.)	2019-20 Policy Year	2020-21 Policy Year	2021-22 Policy Year
Frequency	50	64 (integrated Medcor for reporting)	31 (38% reduction)	37 (26% reduction)
Severity	\$726,043	\$225,402 (69% reduction)	\$73,450 (90% reduction)	\$32,783 (95% reduction)
Indemnity Claims	26	6 (72% reduction)	5 (81% reduction)	3 (99% reduction)
Premium	\$1M+	\$662,766	\$731,192	\$654,737



Next steps

Moving forward →



Want to see your data in PowerBI?

Measure what you treasure

Data needed:

Loss Runs

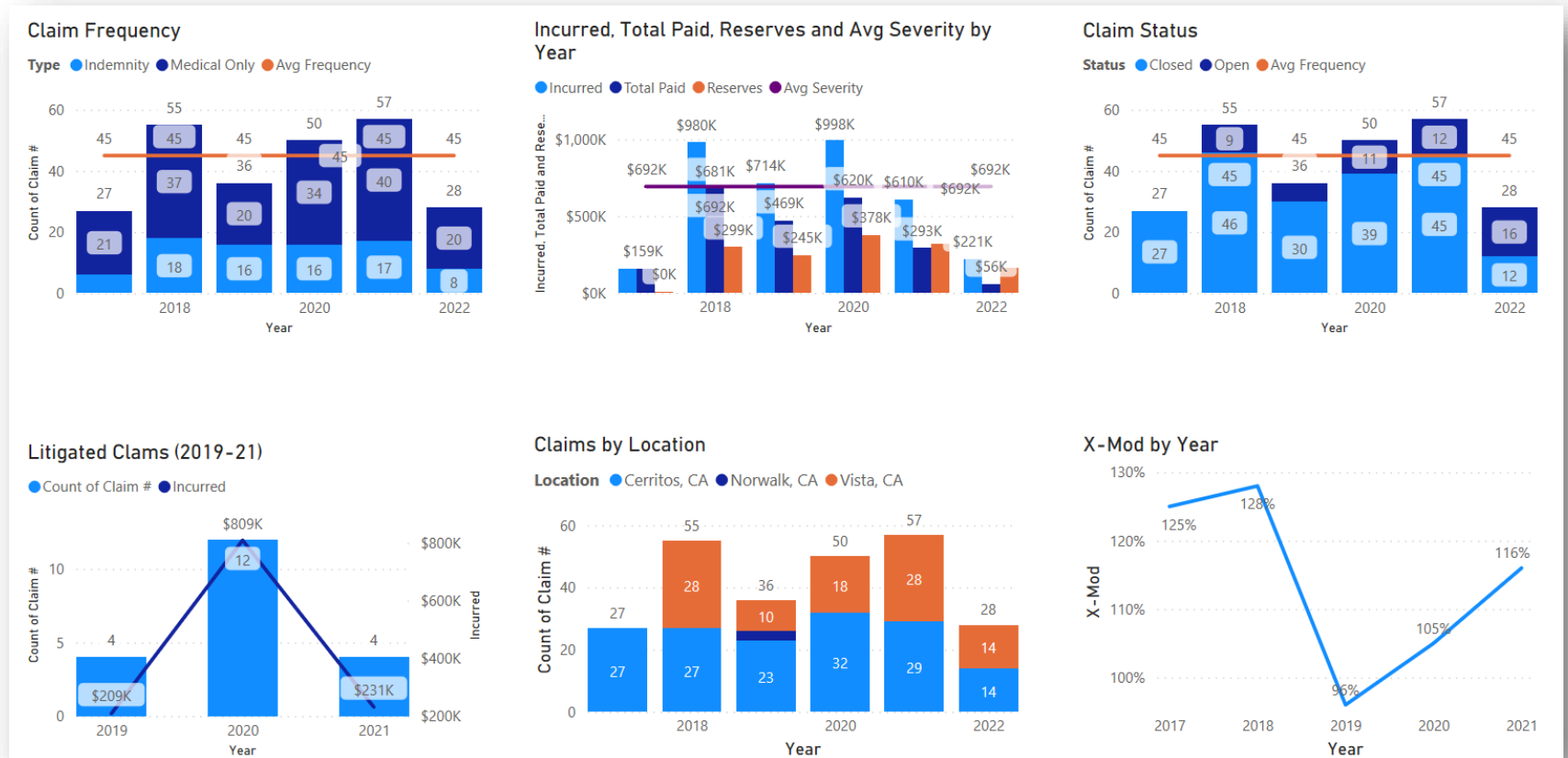
- 3 – 5 years of Work Comp Loss runs (Preferably in Excel)

Mod Worksheets

- 3 – 5 years

OSHA 300 Logs

- 300 & 300A



Time to get started...here's your next steps



ESTABLISH A SAFETY COMMITTEE.

BECAUSE YOU CAN'T DO THIS ALONE.



& MONTHLY KPIS FOR 2022-23.

FREQUENCY, SEVERITY, LAG TIME, TRAININGS, INSPECTIONS, ETC.



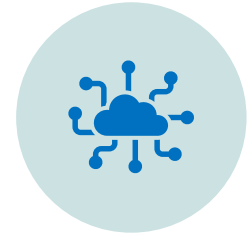
DEVELOP A TRAINING PLAN FOR THE YEAR.

TRAININGS SHOULD ALIGN WITH YOUR LOSS LEADERS OR KEY EXPOSURES.



COMPLETE MONTHLY INSPECTIONS.

IDENTIFY TRENDS AND STRATEGIES TO MITIGATE THEM



LEVERAGE TECHNOLOGY IN YOUR STRATEGY.

IT WILL CREATE EFFICIENCIES AND ACCOUNTABILITY.



Thank you!



**Need assistance with mitigating risk?
We're here to help.**

CONTACT US

[INSITE Users Login Here](#)