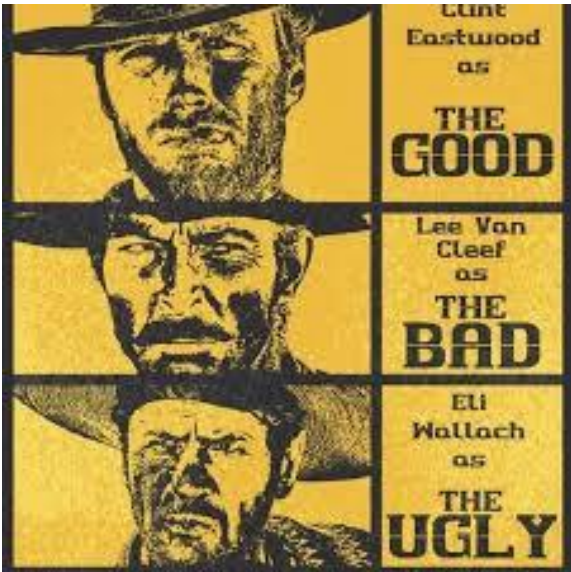


The Return on Investment of a Quality Safety Program

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Costs of an OSHA Inspection



- Civil Penalties from OSHA
- Workers' Comp. Costs (injury)
- Third-Party Liability (injury)
- Potential non-renewal of insurance or increased premiums.



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Costs of an OSHA Inspection Continued...

- Lost opportunity costs (customers rethinking relationships).
- Bad publicity.
- Resource drain (personnel).
- Low employee morale if OSHA is seen as critiquing the whole workplace.



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Criminal Penalties

- Criminal penalties where there a willful citation + death
 - Managers & Corporation.
 - 29 U.S.C. § 666(e).
- Can also refer to a local or state prosecutor.
 - Bumblebee Tuna in California



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OSH Act Criminal Provisions

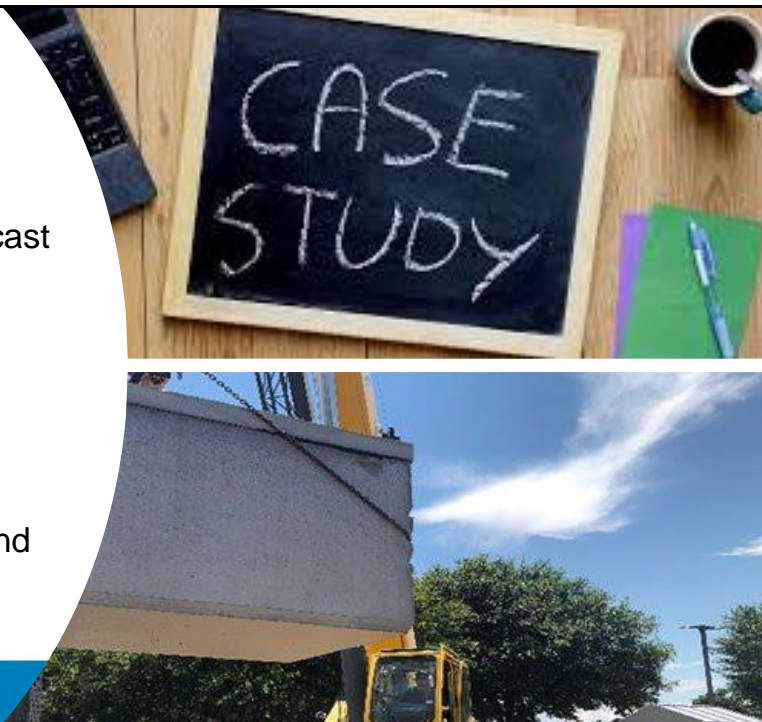
- \$10,000 fine or six months in prison, or by both.
- Repeat convictions under this result in up to \$20,000 fine, or one year in prison, or both.
- State law has a lot more teeth if they can charge under reckless homicide, manslaughter, etc.



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Case Study

- XYZ Precast is operating a crane to move a heavy precast product.
- An employee is positioned below the suspended load when a rigging component fails.
- The employee is crushed and dies from his injuries.



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OSHA Arrives....

- XYZ reports the incident to OSHA within 8 hours.
- OSHA investigates and conducted recorded management interviews.
- 6 months later, OSHA cites the Company for two "Willful" citations. Both under 1910.184's subparts for failing to inspect the sling and attachments which failed, and for having an employee under a suspended load.



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Why Willful?

- OSHA contends the Company had never enforced rigging inspection requirements at the worksite.
- OSHA also contends that there had been several rigging components fail with near misses that the Company knew about in the preceding 24 months.

| Types of OSHA Violations |
|---|
| WILLFUL: The employer either knowingly failed to comply with a legal requirement (purposeful disregard) or acted with plain indifference to employee safety. |
| SERIOUS: The workplace hazard could cause an accident or illness that would most likely result in death or serious physical harm. |
| REPEATED: Occurs when a substantially similar violation has previously occurred (usually within the three years prior) at the facility or establishment. |
| OTHER: A violation that has a direct relationship to job safety and health, but is not serious in nature. |



What Are the Immediate Costs?

- Civil Penalties - \$165,514 per willful violation = \$331,028.
 - Attorney’s Fees and Costs if you contest.
- Workers’ Compensation Death Claim Varies by State.
 - NC = minimum of 500 weeks of 2/3 of the AWW. Minor child receives benefits until 18. A disabled widow/widower receives benefits until remarried or death.



What if the Decedent Were a Contractor?

- Outside workers' compensation scheme.
- Civil suit in negligence or intentional tort.
- Potentially millions in lost earnings, damages, emotional distress, loss of consortium and companionship.



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What About Those Management Interviews?

- The Plant Manager and Supervisor for that area admitted:
 - They did not enforce requirements to check rigging components.
 - They had several near misses.
 - They do not train employees, nor enforce rule, on staying out from under suspended loads.



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Long-Term Costs

- Carrier drops you, and you pay a king's ransom for new coverage.
- You lose all government contracts due to willful citations and ISN Reporting. (millions).
- Threat of repeats and willfuls in the future (enterprise liability).



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What are the components of a Strong Safety Program

Thomas Jimeno – Wilbert Precast



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OSHA®
Occupational Safety
and Health Administration

Job Safety and Health

IT'S THE LAW!

Employers Must;

- OSHA General Duty Clause.
- Provide employees a workplace free from recognized hazards that are causing or likely to cause death or serious physical harm.
- Comply with OSHA occupational safety and health standards.
- Provide required training to all employees.
- An OSHA law is a legal requirement that sets out a general framework for protecting workers from hazards, while an OSHA standard is a detailed rule that fleshes out that framework.

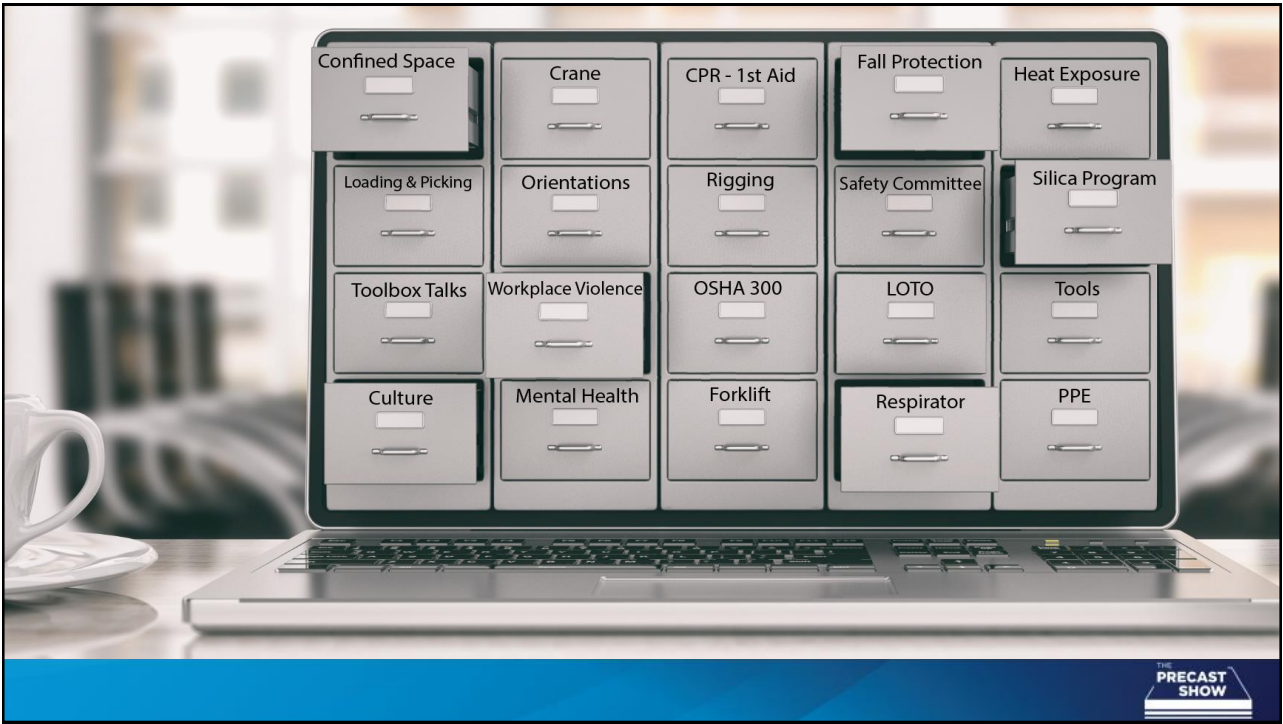
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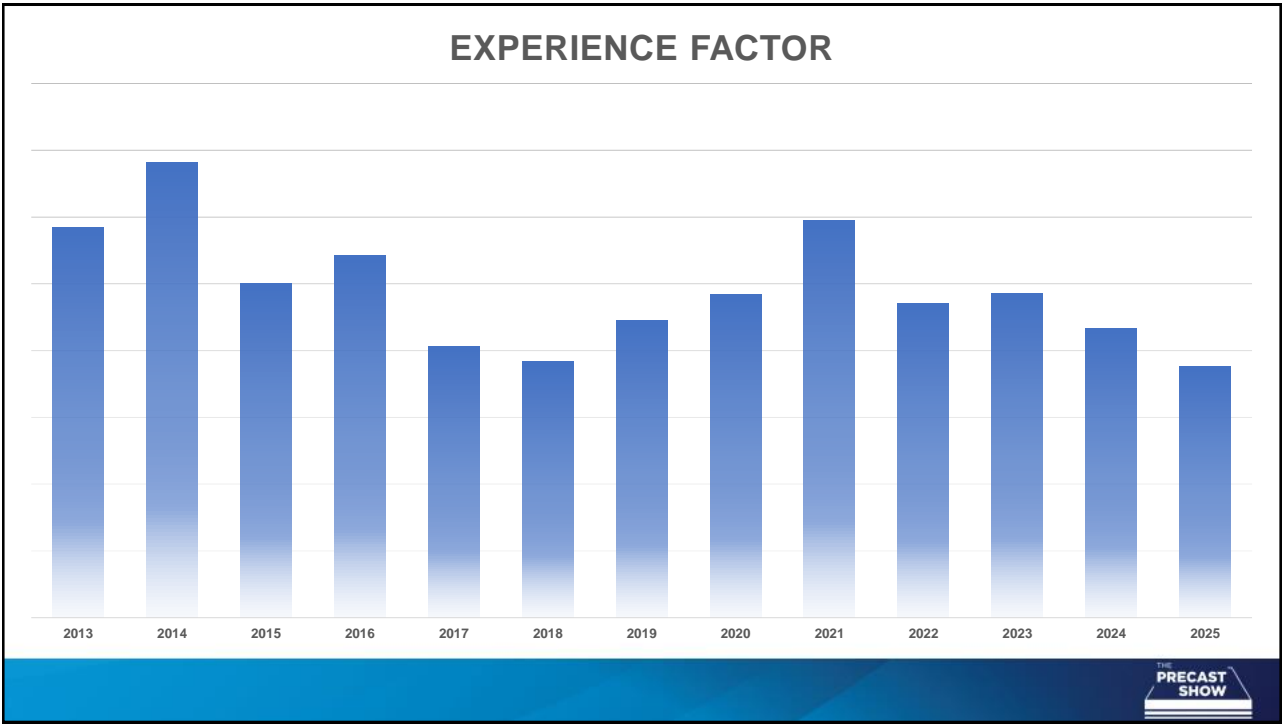
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Workers Comp Rates

- Base Rate
- Risk Classification (Industry) Rate
- Experience Factor
- Assigned Rate







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Retro groups for more value

- Select pool
- Claims management
- Advice
- \$\$\$

| | |
|--|--|
|  Claim Assistance <p>Our seasoned claim reps go straight to L&I on your behalf to get claims closed quicker. Rest assured, we'll keep a pulse on your claim every step of the way.</p> |  Safety and Prevention <p>The best injury claim is the one that never happens. Because prevention is our top priority, we're here to help you develop and implement effective safety strategies.</p> |
|  Risk Management <p>Our job is to identify risk and assist you with implementing preventative measures to avoid claims from happening. If a claim does occur, we offer strategies to help control severity and cost of the injury.</p> |  Return-to-Work <p>Our goal is to keep an injured worker engaged in the recovery process and connected with their employer to help ensure better outcomes. Each claim is unique, as is our customized return-to-work strategy approach.</p> |

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Other Benefits

- Cameras
- Onboarding
- Housekeeping
- Culture of Best Practices
- Reinvesting Returns



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Thank You

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