

Savings, safety and company security

Businesses save more than \$260 million by implementing certified workplace safety committees

By **Jamie Herzing**

How have more than 7,400 Pennsylvania employers saved \$270 million in workers' compensation insurance premiums? They've simply been playing it "safe."

State-certified workplace safety committees provide an excellent opportunity to save your company money while improving your employees' work environment. Developed by the Pennsylvania Bureau of Workers' Compensation, a branch of the state Department of Labor and Industry, the program helps to promote greater safety within workplaces through the establishment of company safety committees. The committees comprise trained company employees and management who are responsible for identifying and correcting safety and health hazards, thereby eliminating and reducing workplace injuries and illnesses.

As an extra incentive for instituting certified safety committees, businesses that participate in the workplace safety committee program are eligible to receive an annual 5 percent discount on their workers' compensation insurance premiums.

Establishing a certified safety committee

To get started, the Bureau of Workers' Compensation recommends that companies assess accident trends and rates within their industries and determine which accidents and illnesses are most common. Next, businesses

should establish safety goals and procedures, and then request the bureau to receive a free state-certified workplace safety committee start-up packet and discuss certification. All committee certification information can also be found on the Bureau's health and safety web page at www.state.pa.us, keywords "workplace safety."

After just six months of operation, companies are able to submit the certification application for state approval. It is necessary for companies to meet all state certification standards to be approved and eligible for the 5 percent discount.

State certification basic requirements include:

- Having a minimum of four committee members, with two members representing employees and two representing management
- Holding monthly meetings
- Making decisions based on a majority voting system
- Training annually in hazard detection and inspection, accident/incident investigation, and safety committee operation
- Conducting training courses with qualified instructors
- Maintaining agendas, attendance lists and minutes for each meeting

The original insurance premium discount was established in 1993 and was good for only one year. The discount was expanded to five years



in 1996 and, in 2002, lawmakers enacted legislation making the 5 percent discount available annually.

Businesses are now able to renew their certification and qualify for the discount an unlimited number of times as long as:

- safety committees continue to meet all requirements for state certification
- employers submit the properly completed certification renewal forms between 90 days and 15 days in advance of their workers' compensation policy renewal date
- workers' compensation insurance is maintained through a Pennsylvania-licensed carrier

PA Chamber on board with company safety initiatives

The PA Chamber's Workers' Compensation Work Group, under the direction of Chairman Don Liskay, president and CEO of CompServices Inc., was instrumental in the effort to extend the 5 percent discount.

Liskay firmly believes that a focus on safety is essential for lowering workers' compensation costs and improving employee workplace conditions.

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Don Liskay, chairman, PA Chamber Workers' Compensation Work Group

“Safety committees are very important for businesses, particularly small businesses, as an easy way to save money on workers' compensation premiums,” he said. “By putting in the up-front effort needed to develop safety committees, businesses save in the long run. Not only do they benefit from the 5 percent discount, but they also help themselves prevent hidden costs that arise when an employee is injured, such as the cost to replace that valued employee.”

Liskay encourages all businesses to take advantage of the safety committee discount, as well as opportunities offered by the PA Chamber to help meet recertification requirements.

Each spring and fall, the PA Chamber hosts an educational conference that enables businesses to meet recertification requirements. The conference features qualified trainers and experts, and educates on the topics required by the Bureau of Workers' Compensation for certification, such as safety committee dynamics, hazard identification and incident investigation.

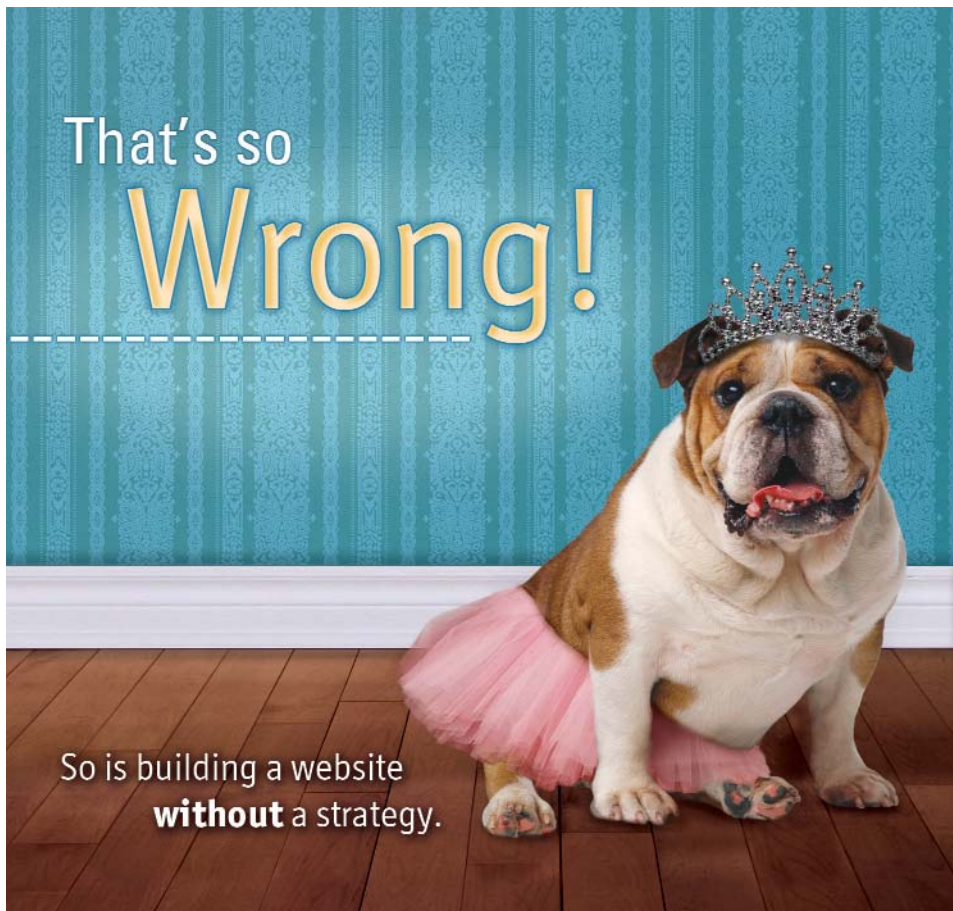
Getting involved and gaining an edge

In addition to the 5 percent discount savings, by preventing injuries and illnesses, employers are eliminating both the human suffering

caused by accidents and are realizing substantial, additional savings through the elimination of direct and indirect costs of injuries. The National Safety Council estimates that for every \$1 of direct costs spent on a lost-time injury, between \$4 and \$8 is spent on indirect costs, such as spoiled production, damaged equipment, worker retraining, accident investigation, etc. This is money that companies seeking a competitive advantage could put toward much better use, including making investments in new equipment, expanding staff, or developing new technologies. ♦

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For more information on the safety committee program and its valuable benefits, visit the state Labor and Industry website at www.dli.state.pa.us or contact the bureau at 717 772-1635.



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