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- OSHA estimates that implementing I2P2 programs will reduce injuries for employers that do not currently have programs.
- In addition to the direct costs, employers face a variety of indirect costs.
- Participation in SHARP has showed impressive results for small employers.



OSHA, gearing up for a proposed rulemaking on I2P2, is presenting its case to employers and the public

From Business and Legal Reports

"Injury and illness prevention programs (I2P2) are good for workers, good for business, and good for America." OSHA administrator David Michaels made this statement in support of a plan that would require employers to develop written safety programs based on a common set of elements. In its most recent regulatory update, OSHA said it anticipates a notice of proposed rulemaking on I2P2s by September 2014.

The cost of worker injuries is staggering, and OSHA believes an approach to workplace safety with I2P2s at the center can save money. The agency estimates that implementing I2P2s will reduce injuries by 15 to 35 percent for employers that do not currently have programs. At 15 percent, that would translate to a savings of \$9 billion per year in workers' compensation costs. A 35 percent reduction would yield a savings of \$23 billion annually. OSHA points to data from Liberty Mutual Research Institute, which reports the financial impact of the most disabling workplace injuries in a recent year at \$53 billion. In addition to the direct costs, employers face a variety of indirect costs.

Indirect costs of workplace injuries and illness include:

- Wages paid to injured workers for absences not covered by workers' comp
- Wage costs related to time lost through work stoppage
- Administrative time spent by supervisors following injuries
- Employee training and replacement costs
- Lost productivity related to new employee learning curves and accommodation of injured employees
- Replacement costs of damaged material, machinery, and property

Other costs include those related to occupational illnesses that may not surface for years or decades following exposure.

OSHA offers evidence that I2P2 programs reduce injuries and save money. For example:

- Alaska had an I2P2 requirement for over 20 years. Five years after the program was implemented, the state saw a 17.4 percent decrease in injuries and illnesses.
- Washington State began requiring establishments to have I2P2s in 1973. Five years later, the net decline in injuries and illnesses was 9.4 percent.

Such savings are not just for large organizations or employers. Participants in SHARP, an OSHA voluntary program for small employers with elements similar to those for I2P2, showed impressive results. One study found that the average number of workers' compensation claims for SHARP employers decreased by 52 percent, and the average claim cost dropped by 80 percent.

[OSHA Injury and Illness Prevention Programs](#)

I2P2



Accident Incident Rates and Severity

Computing accident incidence rates and severity can help analyze and correct conditions that cause accidents

A simple formula for calculating accident incidence (frequency) is to:

1. Take the total number of recordable incidents for the year from your OSHA 300.
2. Multiply that number by 200,000, which represents the number of hours worked by 100 full-time employees, 40 hours per week for 50 weeks per year. (OSHA requires accident rates to be calculated as incidents per 100 full-time employees.)
3. Calculate the total hours worked by all employees for the year and divide that number into the total for the first two steps.

In other words:

$$\frac{\text{Number of recordable injuries or illnesses} \times 200,000}{\text{Hours worked by all employees during the calendar year}} = \text{Incident Rate}$$

Some employers like to calculate monthly or quarterly incident rates as well, and this can easily be done by using incident and hours-worked figures for only the particular month or quarter.

A severity rate can be calculated by substituting the number of lost workdays for the number of recordable injuries or illnesses.

OSHA also uses a “Days Away Restricted & Transferred” rate based on injuries or illnesses resulting in days away from work, restricted work activity, or job transfer for every 100 full-time worker (referred to as the DART rate), and a “Days Away from Work Injury and Illness” (DAFWII), among other things, to select firms for on-site inspections.

Recordable injuries are those which result in death, loss of consciousness, limitation on the work or motions the worker can perform, transfer to other work, or medical treatment beyond first aid. The most detailed information about recordable injuries is found in an OSHA publication, [THE OSHA Recordkeeping Handbook](#), available for download.

If you would like to compare your rates to those of others in your industry, the Bureau of Labor Statistics ([BLS](#)) annually publishes the key safety statistics for each major segment of manufacturing, construction, and service industries and makes these available to the public.

Also, detailed statistics on occupational accidents and illnesses, updated annually, can be found on the OSHA website at www.osha.gov (click on Statistics under Data & Statistics).

In some cases, you may need the NAICS code (North American Industry Classification System) for your industry; you should be able to get this from your Accounting department or from the U.S. Census Bureau’s website at www.census.gov (click on the NAICS under Business & Industry at the bottom of the page).

News & Notes

- The OSHA Record-keeping Handbook contains detailed information about recordable injuries.
- Look to the Bureau of Labor Statistics for key safety statistics.
- Annual accident and illness statistics are kept by OSHA.
- The U.S. Census Bureau can help identify the NAICS codes for the different types of industries.

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