

SAFETY FACTS: SAFETY AND HEALTH ADD VALUE

Addressing safety and health issues in the workplace saves the employer money and adds value to the business. Recent estimates place the business costs associated with occupational injuries at close to \$170 billion -- expenditures that come directly out of company profits.

When workers stay whole and healthy, the direct cost-savings to business include:

- Lower workers' compensation insurance costs;
- Reduced medical expenditures;
- Small expenditures for return-to-work programs;
- Fewer faulty products;
- Lower costs for job accommodations for injured workers;
- Less money spent for overtime benefits.

Safety and health also make big reductions in indirect costs, due to:

- Increased productivity;
- Higher quality products;
- Increased morale;
- Better labor/management relations;
- Reduced turnover;
- Better use of human resources.

Employees and their families benefit from safety and health because:

- Their incomes are protected;
- Their family lives are not hindered by injury;
- Their stress is not increased.

Simply put, protecting people on the job is in everyone's best interest -- our economy, our communities, our fellow workers, and our families. Safety and health add value to businesses, workplaces, and lives.

SAFETY UPDATE: September 2006

Workers' Compensation Report summarized results from the State of Utah, "Emphasis on Safety Leads to \$21.5 Million Dividend," in their September edition. The group reported that Utah employers appear to be doing a better job of promoting workplace safety, and the positive result has been a \$21.5 million dividend to the state's Workers' Compensation Fund.

Experts believe a disproportionate share of serious accidents derived from Spanish-speaking workers, as many of these employees didn't fully understand how their employer's safety program worked. Due to a greater emphasis on safety through a statewide advertising program, and especially due to the focus of programs on the non-English speaking community, dividends of about 9 percent were paid to WCF clients.

Although the fund increased premiums by 4.5 percent in the current year, analysts believe that if the safety programs continue to keep the “lid on accidents,” employers may be rewarded with another dividend, and possibly a rate decrease in the upcoming year.

Source: *Workers' Compensation Report*, “Emphasis on Safety Leads to \$21.5 Million Dividend,” September 26, 2006, Vol. 17, No. 20, p.387.