

Workers' Compensation

How to Keep from Hiring a Serial Claims Filer

WHEN YOU hire a new employee you always take a gamble on how good they will perform for you, their work ethic and and their honesty.

Some employers even have a hard time finding candidates that don't have substance abuse issues, while some people are serial workers' comp filers, malingerers or have prior industrial injuries that can end up affecting your bottom line and X-Mod.

Here are some suggestions to help you avoid hiring someone who is likely to suffer a workplace injury or file a fake injury claim:

Dig deeper in references

The difficult part is making sure employee selection meets your expectations. This may not be easy, since vetting applicants is often limited to calling references they provide and perhaps a drug test.

Yet, even the basic step of contacting references can be made more effective by asking them if they know others who may have knowledge of the applicant. By extending the reach, it's possible to obtain additional information that can be helpful in evaluating a prospect.

The integrity test

Employers often don't use integrity tests in the belief that they are too expensive. But, a study by Cornell hospitality professors Michael Sturman and David Sherwyn of 27,000 employees of a national hotel chain highlighted the value of using such a test.

Using a test developed by American Tesco, the hotel hired 6,100 of 29,000 applicants. They then used the data from the test and compared the workers' comp claims of the new hires to those of existing employees who did not take the test. The researchers concluded that the cost savings of screening the workers was considerable.

Based on the number being tested, the cost of testing appears to be \$8 to \$14 per applicant. The study indicated that there was a notable reduction in workers' comp claims among the new hires, which suggests that an integrity test can be a valuable tool for screening job applicants.

Because of the nature of the test, it can be administered before a job offer.

Avoid 'medical baggage'

You can try to give every applicant who has been given a job offer a pre-employment physical before being approved for hire. If someone has been out of the job market for some time, they are often out of condition for some jobs.

Having been sedentary for a long time can lead to back and neck pain and repetitive motion injuries.

Also, job applicants can be carrying "medical baggage" that may not be found on a job application, but may be revealed with a thorough physical examination.

Drug testing

This is not just a matter of identifying illegal drug use, as a test may indicate that an applicant is taking one or more prescriptions for a previous job-related injury. That's information that would never be known on a job application.

The goal is to obtain as much accurate information as possible regarding an applicant, so the picture is complete and reliable. While it takes more time and means additional costs, the expense



pales against that of hiring someone with a propensity for filing a workers' comp claim, or who is more apt to suffer a workplace injury.

Employers need to comply with state and federal laws when undertaking drug screenings. ❖

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The Big Question

Your New Year Insurance Checklist

AS 2021 gets underway and while you're making New Year's resolutions, you should also resolve to review the state of your business's insurance program.

The best way to do that is to start by reviewing your enterprise's activities in the past year and how they may affect your insurance policies in the new year. What you find as you go through the following checklist may surprise you.

Did your operations change last year? Workers' compensation and commercial general liability (CGL) insurance premiums are based in part on the type of work your business does. If your business changed, the insurance company may revise how it classifies your operations when it audits your records. This could cause your premiums to increase; inform the insurer now to avoid a surprise later.

Did your payroll and sales change? These premiums are based on the amounts of your payrolls and sales. Employment practices liability insurance premiums are based on the number of employees. If you had a good year and these numbers increased, expect to pay additional premiums at audit time. Conversely, if both shrunk, ask your insurer to reduce its estimates so you can get the return premium now.

Did you acquire, form or sell any businesses? CGL policies typically provide short-term coverage for some newly acquired or formed entities. After 30 or 90 days, that coverage disappears unless you report the new entities to the insurer.

Workers' comp policies do not automatically cover a new entity. If your business and the new entity have common ownership, you may be able to add that entity to your policy, but you must report it to the insurer.

Did your properties change? Did you buy or sell any buildings? Lease new ones? Add on to or upgrade any buildings? Buy new equipment? Make sure your insurer knows about these changes. Some property insurance policies provide limited automatic coverage, but only for 30 days or so.

Also, the amounts of insurance on your properties should reflect the cost of replacing them. If your building is 30% bigger than it was this time last year, you may be underinsured.

Did your auto schedule change? If you have sold, replaced or added any vehicles, make sure your insurance company has an up-to-date list of all vehicles.

Do you need new or additional insurance? Could you afford to pay for legal costs, settlements, penalties, lost income and recovery measures if you were sued over a network data breach or suffered a ransomware attack? If not, you may need cyber insurance.

Could a client sue you for alleged errors or omissions in your work? If so, you might need professional liability insurance.

Also, you may need greater amounts of general liability and automobile liability insurance, especially if you work for other firms. They often require their vendors and contractors to carry high insurance limits. You may need a commercial umbrella liability policy for additional amounts of insurance.

The takeaway

You've worked hard to build your business, and your work deserves protection. By using this checklist, you will get a good start on protecting what you have while you work in the next 12 months to make it grow. ❖

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Commercial Auto

Controlling the Risks of Business Vehicles

AS THE cost of commercial auto insurance continues climbing at unprecedented rates, any business with vehicles has to make sure that it has procedures and policies in place to reduce the chances of its drivers causing accidents.

When a business entrusts a vehicle to an employee, it is literally putting its assets on the line. That's why you should set these no-exception rules for drivers:

- Always wear seat belts.
- No driving while under the influence of alcohol or drugs.
- No mobile phone use while driving.

You should also set guidelines for employees to follow when they use company vehicles, such as:

Limit their non-business use of vehicles – If employees take company cars home with them, you should set reasonable limits on personal use.

Allow plenty of time between meetings and assignments – This will make it less necessary for employees to speed.

WEEDING OUT TROUBLE

- Check prospective employees' driving records before hiring them.
- Don't let staff with poor records drive.
- Annually check driving employees' records.
- Require workers to report accidents they have when they are off the job.
- Be on the lookout for employees with short tempers, as they may be prone to road rage.
- Provide occasional driver training for employees who drive, especially drivers of large commercial vehicles.

Park vehicles wisely – Instruct workers to park vehicles in well-lit areas. Even with all the preventive measures in the world, an accident will occasionally happen. Employers should prepare their drivers for that event.

You can start by Develop procedures for what employees should do after an accident.

What to do after a crash

One of the most important aspects of controlling your insurance costs is having drivers who know what to do after and accident.

POST-ACCIDENT PROCEDURES

- Remain at the scene.
- Call the police if there are injuries.
- Gather information from the other driver (name, address, insurance information, license plate number) and any witnesses.
- Report the accident to a designated person within the company.

**Keep copies of the procedures handy in vehicle glove boxes.*

If one of your employees is involved in an accident:

- Report the accident to us or your insurance company.
- Follow the conditions listed in the insurance policy. Check with us if you do not know what they are.
- Follow the insurer's instructions for getting repair estimates and communicating with physicians.

Your insurance company may be able to help. Many insurers offer loss-prevention guidance for their customers.

Businesses can reduce their risks and control their costs by working with their insurers and following these simple steps. ❖



Construction Safety

Know Your Fall Protection Triggers and Correct Equipment

WORKING AT heights is one of the more dangerous activities for construction workers, and fall protection is recommended at most heights above 6 feet by Fed-OSHA. Employers in states that operate their own OSHA-approved plans must abide by their state's requirements.

Cal/OSHA's trigger for personal protective equipment is 7 1/2 feet, but that's the main trigger. The agency has a number of different height triggers for fall protection.

Failure to provide fall protection equipment to workers when they are working at or above a height trigger is not only dangerous to your employees, but can also get your firm cited.

Fall protection triggers

Cal/OSHA has many fall protection trigger heights, depending on the activity:

Two stories or 30 feet, whichever is less: Connecting structural steel (iron workers).

20 feet: Most roofing work.

15 feet: Panelized roof systems, residential framing and roofing activities, work on 4" nominal or wider structural members and other than connecting steel (iron workers). This height also includes thrust-outs, trusses, beams and purlins.

Structural wood framing workers working near a leading edge must be protected from falls of 15 feet or more by one or more of these:

- Guardrails,
- Safety nets,
- Personal fall protection system.

7 1/2 feet: Work on unprotected platform, or perimeters, edges, sides, slopes, etc. of structures.

6 feet: Crossing over trenches/excavations on bridges/walkways.

4 feet: Unenclosed elevated work locations outside buildings.

30 inches: Unenclosed elevated work locations inside buildings. ❖



PASSIVE FALL PROTECTION

Physical barriers, like guardrails around unprotected edges and covers over holes.

FALL RESTRAINT SYSTEMS

Use personal protective equipment to restrict the worker's range of movement so they cannot fall.

FALL ARREST SYSTEMS

Designed for situations where exposure to a fall is not preventable. A fall is arrested within acceptable force and clearance margins.

SYSTEMS AND DEVICES

Passive systems

Use guardrails at 7'6" high on open:

- Edges of floors and roofs
- Scaffolds
- Runways, ramps
- Elevated platforms

Install safety nets in high entryways and cathedral ceilings of residential homes.

Wall openings that are greater than 30" high and 18" wide need to be protected with guardrails when the bottom of the opening is less than 36" above the working surface and the fall is more than 4 feet.

Openings need to be protected with off-set guardrails, or a swinging gate.

Active systems

Components of an active personal fall protection system (free-fall distance must never exceed 6 feet):

- Anchorage point must support adequate loads.
- Harness (or body belt for fall restraint or positioning) must be worn as per manufacturer instructions.
- Connector (lanyard) must be adjusted so the worker will not reach the ground.

1. Personal fall restraint system

- The fall restraint equipment should be set and adjusted so there is no free fall over the edge.
- A harness or body belt may be used.
- The anchorage point must support four times the intended load.

2. Personal fall arrest system

- Use harnesses, not body belts.
- Use shock-absorbing lanyard with two locking snap hooks.
- Anchorage point must support 5,000 pounds.