



Oil Patch Quarterly

Exclusive Program Managed by Sisk & Company

Fourth Quarter 2007

INSURANCE NOTES

Employer benefit communications provides a platform that helps employees understand their benefit program and utilize the plan to their greatest advantage. We have found that communication provided through an employer sponsored benefit web site is one of the best communication tools.

In addition to the web, employees receive material outlining the full benefit program through group and one-on-one meetings. We have found that effective communication programs reduce the overall dollars employers spend on the plan and help create a healthier work force.

Good communications help employees make decisions about how their health care dollars are spent and what services are provided for those dollars. This process helps employees gain greater appreciation of the benefit program.

Sisk can help your business provide an interactive web site that gives your employees 24-hour access to plan information including benefit summaries, provider directories, and forms.

For more information, contact Todd Heiserman or Dutch Ross at 303-831-7100 or 888-333-6620.

2008 Brings Changes to Workers' Compensation Rules: Are You Ready?

When the clock strikes midnight on December 31, more than just the year on your calendar is going to change. Some workers' compensation rules are also changing and Pinnacol Assurance wants you to be prepared.

HB 1176, the Employee Choice of Physician Law, requires Colorado employers to designate two medical providers to treat employees who are injured on the job. The two medical providers must be at two distinct locations without common ownership. In some cases, rural employers are exempt from the two-provider rule if there are a limited number of available providers. The law goes into effect on January 1, 2008.

In mid October, Pinnacol put the following processes in place to ensure that its policyholders do not incur fines and penalties due to non-compliance with this new law:

- **A provider designation process** that ensures all policyholders will **always** have two providers listed on their policy.
- **A robust Web-based provider designation system** that allows for quick and easy provider selection and management.

The Provider Designation Process

For policyholders that did not have two designated medical providers, Pinnacol has been proactively designating additional providers and sending notification letters with the designation details.

If you own a business located in or near a metropolitan area, Pinnacol identified the four *SelectNet* providers located nearest to the address listed on your policy and added them to your policy. If you had a designated provider(s) listed on your policy, that provider remains on the policy as the preferred provider.

(Article continued on page 2 – see Changes to WC rules)



LESSONS LEARNED

Case Overview:

A worker claimed he was injured while pulling a load bar tightening strap. The worker alleged severe neck pain and was seen by the designated provider for the first visit.

After seeing the designated medical provider, the injured worker went to his own doctor for a second opinion, who immediately referred him to a neurologist. The neurologist recommended a neck fusion.

Pinnacol Assurance did not receive notice of these additional doctor visits until the request for surgery came in. No true accident investigation was done and there was no way to document the facts of this injury or even prove the injury happened at work. The claim will cost at least \$115,000 due to the type of medical care being rendered, lost time and permanent impairment.

Lesson Learned:

Every business needs to have a clearly written injury reporting and management policy. This is especially true when a business has workers in multiple locations or subsidiary companies.

The injury reporting policy must be reviewed with workers and supervisors periodically and compliance enforced. These reviews should remind everyone of prompt reporting, accident investigation procedures and the designated providers. These simple steps have proven to reduce costs.

(Continued from page 1 - Changes to WC rules)

If your business is located in a rural area where there are not four providers within 30 miles, you're only required to designate one medical provider. In those cases, Pinnacol is identifying the **SelectNet** provider located nearest to the address listed on your policy and adding that provider to the policy.

You may change the designated provider(s) selected by Pinnacol, but **must still make a provider designation** in order to comply with the law.

To ensure that you are always in compliance with this law, Pinnacol's provider designation system will **automatically** add a new provider to your policy if a **SelectNet** provider leaves the network.

Web-based Provider Management

Pinnacol has also enhanced its online **SelectNet** provider selection process to allow you to select and manage designations. You can visit <http://www.pinnacol.com/> and click on Pinnacol ServiceLink to access your account. The system will display all the providers assigned to a policy and provide details about each provider.

If you have any questions about the Employee Choice of Physician legislation or Pinnacol's provider designation process, please call 303-361-4960 or 1-888-852-2289. (Article provide by Judy Stowell 303-361-4779, judy.stowell@pinnacol.com. Contact Judy if you have questions about the article.)

Employee notification of Designated Medical Provider

Having the additional designated medical provider is only part of the steps necessary for complying with the new rules. As an employer, you need to let your employees know about the additional medical providers so they can exercise their choice. For those companies that are cost containment certified, you need to have a record that proves employees have been informed of the designated medical providers.

Possible wording of the "designated medical provider notification" has been developed. If you would like an electronic copy of this notification letter, email Dan Klimek at dklimek@tjsisk.com or Whitney Mott at wmott@tjsisk.com and request the form. The sample form will be emailed to you as a Word document attachment. This will allow you to easily modify the form with your company letterhead. You can have employees sign the form and file a copy to document your compliance with these new rules.

Safety Considerations for Winter Driving

Winter is upon us and the roads can go from summer like to full winter in a matter of hours. To help prepare all of us for winter driving, the National Safety Council recommends the following:

1. Carry emergency supplies in your vehicle. No matter how moderate the climate, be prepared for emergencies. Must-haves include blankets, jumper cables, flashlight, first-aid kit, shovel, flares, tow chain, nonperishable snacks, and sand or cat litter for traction.
2. Check your owner's manual for proper tire pressure and inflate tires accordingly.
3. Check windshield wipers and replace if needed. Keep your windshield wiper fluid full and use fluid that can withstand freezing temperatures.
4. Keep a well-maintained, appropriately rated fire extinguisher in your vehicle, and know how and when to use it
5. Park in well-lit areas. Have your keys ready before you approach the car. Lock doors immediately after entering your car and keep windows rolled up.
6. Have a map and plan your trip ahead of time. Give yourself enough time knowing that traffic can delay your travel time.

7. Take breaks if driving for long periods of time.
8. Do not drive if you are drowsy.
9. Never use your cell phone while driving a vehicle.
10. Make sure all passengers in your vehicle are wearing their seat belts or are in an approved child safety seat.
11. Before a road trip, clean your headlights, taillights, signal lights and windows. Make sure to have your vehicle properly serviced by a mechanic. Also, check the battery, brakes, tires, belts, hoses, exhaust system and fluid levels.

Following these simple safety tips can make a big difference between you and your family arriving safely at your destination or being delayed and in danger due to winter weather.

“Safety is something that happens between your ears, not something you hold in your hands.” Jeff Cooper

OSHA NEWS

By Megan Meagher

Why is OSHA Picking on Me?

Have you ever wondered why or how an OSHA inspector showed up on your job site? There are several different reasons why your company may receive an inspection from OSHA. The agency conducts two different types of inspections, programmed and unprogrammed.

Programmed Inspections

A programmed inspection is one that is planned and is usually intended to address a particular hazard (such as amputations or hazardous air contaminants) or a specific industry that experiences high rates of injuries

or fatalities.

In Colorado, OSHA conducts programmed inspections in the oil and gas field services industry, which includes drilling, exploration and servicing operations. A database is used to determine where current drilling operations are being conducted and sites are randomly selected for inspection. All contractors on site at the time the compliance officer initiates an inspection would be included in that inspection. Exploration and service contractors may move from site to site more frequently than drillers. To identify work locations for these companies, a compliance officer may go to the main office and obtain a list of all sites where work (Article continued on page 4 - OSHA inspection)



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is being performed and then randomly select a location from that list for inspection.

Unprogrammed Inspections

Unprogrammed inspections result from reports or observations of hazards made by employees, first responders, media reports, compliance officers, regulatory agencies and others. These types of inspections are complaints, referrals, or accident investigations. Once a report is received or observation of a hazard is made that meets the criteria to warrant an inspection, the inspection is generally initiated within one to five days. Information about the location of the work and the hazards to be investigated are contained within the report received by OSHA. If an employer experiences a work related fatality or catastrophe (three or more employees hospitalized due to a workplace event), the employer is required to report the incident to the local OSHA office.

Resources for Employers

If you have any questions about unprogrammed or programmed inspections including OSHA's emphasis program for oil and gas operations or any other safety and health related concerns, please feel free to contact Megan Meagher, Compliance Assistance Specialist at the Denver OSHA office at 303.844.5285 x105 or meagher.megan@dol.gov.



Off-The-Job Injuries

Where do adult Americans face the greatest risks to their personal safety? Many of us might guess the workplace, especially since oil & gas is considered a high-risk industry. But in fact, this is incorrect.

According to statistics from the National Safety Council (NSC), the rate of workplace deaths has dropped by 17 percent since 1992. At the same time the rate of deaths occurring outside work has jumped 14 percent. In 2004, twice as many workers were seriously injured away from work as were on the job.

These off-the-job injuries are costly to business as well. NSC statistics show that during 2004, businesses incurred \$330 billion in expenses related to all employee injuries and almost 60% of those costs, resulted from injuries sustained away from work. Off-the-job injuries accounted for 165 million lost work days, compared to 80 million days lost as a result of workplace injuries.

Given the significant costs of the lost time and lost productivity associated with off-the-job injuries, it is a good idea for business to provide off the job safety information to employees. Companies that do this have reported reductions in the number of injuries occurring outside of work.

The lesson --- reminding people to be safe pays benefits in reducing accident on and off the job.

Contact Information

The Mountain States Energy Alliance (MSEA) is a not for profit association dedicated to helping members create a safer work environment in the oil and gas industry. The MSEA offers an exclusive workers' compensation program underwritten by Pinnacol Assurance for its members. MSEA members receive a 4% discount on their workers' compensation premium and may also qualify for a dividend payment based on favorable loss experience of the group. To see if your company qualifies for the program or for more information about the MSEA program contact one of the following.

Mike Eastop
Dave Tacha
Jeff Parent
Tom Sisk

For benefit information contact:
Todd Heiserman
Dutch Ross

**If you have questions or comments
about this newsletter, contact:**
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