



Oil Patch Quarterly

Exclusive Program Managed by Sisk & Company

Fourth Quarter 2010

INSURANCE NOTES

BenefitSupport.com

Sisk & Company offers a streamlined employee benefit communication & administration tool that you need to check out.

Our BenefitSupport.com website gives employers online human resource tools that remove many of the administrative burdens of communicating and administering employee benefit programs.

Tools available on the website include:

- Customized benefit summaries
- Online access to policies and procedures
- Direct links to carriers and wellness programs
- Printable enrollment and claim forms
- Company-sponsored bulletin board

In addition, the site is customizable for companies that want access to various HR policies and safety programs. Call Todd Heiserman to learn more about how powerful BenefitSupport.com is. It is the human resource solution that places communication, administration and medical information at your fingertips. Call Todd at 303-831-7100 or go to:

www.BenefitSupport.com

Supervisors:

Being an Effective Safety Leader

Being a supervisor is rewarding, but also very demanding. Supervisors need to communicate task-specific requirements of completing the job, as well as practices to keep everyone connected to the job injury free.

Supervisors should focus on achieving the wanted result and inform employees as to what is expected of them. It is important that supervisors ensure all employees know how to complete the task and have the tools they need. Starting each job with a well planned and conducted Job Safety Analysis (JSA) is a very good way to help set the expectations of the job. Take a few minutes throughout the day to observe the employees' work and compliance with safety procedures and then provide them with feedback.

Supervisors also need to provide positive reinforcement, as well as use consistent and fair discipline. When giving feedback or recognition, a supervisor should give the feedback as soon as possible after the action, let the employee know what is expected and what they did to comply or not comply. Make sure praise is sincere. Overall, people like encouragement and will work harder after receiving positive feedback.

A supervisor should have a positive attitude and “**lead by example**”. This is done by acting in a manner consistent with what is expected of the employees. The supervisor needs to know the safety policies and consistently enforce them. When a job is going badly, that is a time to stop, consider the current situation, make a plan for completing the job and make sure employees know that following all safety procedures is always at top priority.

Supervisors have a tremendous amount of pressure to get the job done. Never let the pressure to complete a job cloud your judgment regarding compliance with safety rules and doing the job correctly.



LESSONS LEARNED

The Loss

The injured worker was a 43 yr old driver hired on 05/01/10. On 10/02/10 while unloading a shipment he slipped and injured his back and leg. The employer confirmed the accident occurred and per company policy should have conducted a post accident drug test. The injured worker told the employer he would test positive, so based on this information the employer elected to not test the injured worker. The injured worker was terminated for the alleged positive drug test.

The Lesson

The claim was compensable and lost wages were awarded because termination did not follow company policy. Employer should have completed the drug test even with the direct statement from the injured worker that he would test positive.

If there is a post accident drug testing policy in place the employer cannot elect to disregard the testing policy simply because the injured worker stated that if drug tested he "might" test positive. In order to enforce the law regarding reduced or denied loss wage / indemnity benefits, the drug testing needs to be completed and documented.

Bottom line, if there is a safety rule or safety policy, the employer must enforce the policy consistently and document that enforcement has been consistent in order to have Pinnacol apply the indemnity reduction provisions.

Preventing musculoskeletal disorders

Workplace musculoskeletal disorders (MSDs) are one of the most significant occupational safety and health problems in the U.S., according to the National Institute for Occupational Safety and Health (NIOSH). While a common cause of work MSDs is long or frequent exposure to awkward posture and forces to joints of the body when performing work tasks, they are controlled by good ergonomic design of the workplace. The Occupational Safety and Health Administration (OSHA) describes occupational ergonomics as the science of designing workplace conditions and job demands to fit the capabilities of the workers.

According to the U.S. Bureau of Labor Statistics (BLS), in 2005 sprain and strain injuries accounted for more than three-fourths of the MSD cases that resulted in days away from work. Much of this is related to back injuries and other muscle strains.

MSDs are a growing concern in all industries and are increasingly on OSHA's radar. Recently OSHA proposed adding a new column on the OSHA 300 log for tracking work-related MSDs. However, the rules have not been finalized so changes to the OSHA 300 log are on hold. Currently, OSHA does not have a specific standard addressing MSD, but has cited companies under the general duty clause for MSD injuries.

"Musculoskeletal disorders continue to be a major problem for American workers. They're real and they're hurting a lot of people," said Assistant Secretary of Labor for OSHA, Dr. David Michaels. "OSHA believes that putting the MSD column back on the work-related injuries and illnesses log will provide useful information that workers and employers can use to better identify MSDs and keep workers healthy and safe."

Employers can realize cost saving and reduced MSD injuries by emphasizing to workers that they need to beware of body position and repetitive work activities, and then encourage employees to practice good body mechanics when working. MSDs have not been a major cost of accidents for the MSEA ('Auto accidents', 'Slips & Falls', and 'Struck / Caught by' have been the most expensive accidents). However, for the individual companies that deal with an MSD when one occurs, they are expensive and difficult cases.

The application of good ergonomic design in the workplace can improve productivity, help avoid illness and injury risks, and lead to increased satisfaction among the workforce. The scope of ergonomics is very broad, but you can focus your efforts by looking at activities that require a lot of physical force, repetitive actions and/or awkward positions. Examples of these risk factors are found in jobs requiring repetitive, forceful, or prolonged exertions of the hands; frequent heavy lifting, pushing, pulling, or carrying of heavy objects; and, prolonged awkward postures. Vibration and cold may add risk to these working conditions. Reducing exposures to any one or all of these risk factors will help reduce the risk of injury to employees.

Certificates of Insurance – a Quick Update

Most MSEA members deal with Certificates of Insurance from the perspective of needing to provide them. At times MSEA members will hire a sub contractor and ask their sub for a certificate. But some of the language in a certificate of insurance might be confusing.

According to ACORD (Association for Cooperative Operations Research and Development), which has been the insurance industry standard in insurance forms issuance since 1970:

A Certificate of Insurance is a document that provides information about insurance policies.

Essentially, a certificate is a snapshot of coverage; information about the coverage at a certain point in time. The certificate cannot change or modify coverage or alter an insurance policy. This sounds simple enough; but we have to dig a bit deeper to see where problems may arise.

Recently ACORD made changes to the form used for certificates of insurance (form 25). The problem is that some certificate holders are concerned with the text in the new ACORD form versions, because the notification language has changed.

The old ACORD form text states:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE

THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL ___ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

The new ACORD form text states:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

We believe this simplified language provides a benefit to all parties involved. Unlike the old text, the new version makes it quite clear; notice will be delivered in accordance with the policy provisions. The older version of the form seemed to leave room for ambiguity with words such as, endeavor and no obligation.

At Sisk & Company, we want you to understand the intent and limitation of Certificates of Insurance. We historically have worked with our clients to provide certificates as needed and have reviewed certificates when others provide them to our clients. The time to confirm appropriate insurance coverage is when the contractual relationship is set up, not after a loss occurs. Call your customer service representative to discuss further. Sisk office – 303-831-7100.

OSHA NEWS

Reviewing OSHA's 2010 Efforts - during 2010 OSHA saw a trend towards greater enforcement, higher penalties, and new/or revised safety regulations. The summary below outlines some key efforts.

Strengthening Enforcement – This current trend is part of the Department of Labor's Six-Year Strategic Plan, and it has become evident in several OSHA initiatives, including:

- The Severe Violator Enforcement Program targets employers who disregard their safety responsibilities
- Penalty increases leading to record-breaking fines
- Site-Specific Targeting for worksites with high DART and DAFWII rates.

Update Safety Regulation – The standards most likely to impact MSEA members are the revisions of:

- Permissible Exposure Limits
- Standards Improvement Project (SIP)-III
- Slips, Trips, and Falls
- Safety and Health Achievement Recognition Program (SHARP)
- Noise Exposure Controls.

OSHA also pushed for the creation of an Injury and Illness Prevention Program, which would require employers to set up a safety-and-health program that can identify and address workplace hazards. It also published the Cranes and Derricks in Construction Final Rule, which took effect in November.

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Empowering Employees - OSHA has stressed worker rights and started several initiatives.

- Revised the Whistleblower provisions of the Act.
- Inclusion of a 2 hour module covering worker-rights in all Outreach Training Programs
- Shortening the training day in the Outreach Training Program to 7-1/2 hours.

Distracted Driving – The Department of Labor through OSHA is partnering with the Department of Transportation to combat distracted driving. OSHA will first focus on texting while driving and expect employers to prohibit any work policy or practice that requires or encourages workers to text while driving. OSHA is launching a multipronged initiative that will include the following:

- Education campaign & website with resources.
- Forge alliances with key organizations to reach out to employers to combat distracted driving and prohibit texting while driving.
- Follow up on complaints, investigate and issue citations and penalties to end the practices that encourage texting while driving.

Article adapted from Safety Currents Express for December 17, 2010



Recently I have talked to companies that have had notable improvements in their accident history. When I ask them, “what is different?” they have told me about their ‘new safety emphasis’. When asked to explain, I heard about their push to have employees observe and note safe and unsafe conditions or actions they see on the job. This is great and appears to be helping these MSEA member companies develop safety awareness among the front line employee and supervisors.

To help employees develop safety awareness and confidence in making observations that will enhance your loss prevention activities; you may want to try:

- Before beginning a job, do a JSA and ask the crew how to do the job more safely. Include summaries of past injuries and near misses when doing the JSA.
- Train employees in the proper use and limitations of personal protective equipment (PPE) so they can observe if co-workers are using it correctly.
- Encourage all employees to scan any area they approach for the purpose of noting hazards and work practices that can be improved.
- Discuss with employees ways to reduce strain on the human body caused from awkward positions or highly repetitive work activities.

And most importantly, encourage employees to develop the courage and skill to talk to fellow employees about correcting unsafe acts or unsafe conditions any time they observe them.

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 Pinnacle 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
Tom Sisk

For benefit information contact:
Todd Heiserman

The following websites provide excellent insurance and safety information:

www.tjsisk.com
www.gomsea.org
www.petrodocs.com

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

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