



# Oil Patch Quarterly

Exclusive Program Managed by Sisk & Company

Fourth Quarter 2011

## INSURANCE NOTES

### Everyone Needs Life Insurance

#### The Reason Why is as Individual as You

There is no doubt that every person needs life insurance to provide for family members and final expenses and taxes. There is also no doubt that you can buy it from anyone. By working with Sisk and the MSEA for insurance needs such as life insurance, you can be assured that the products we recommend will serve the overall best interest of your family and business.

The type of life insurance policy that is right for you depends on many factors, including your budget, the amount of coverage you need, and the length of time you'd like coverage to last. In addition, coverage specifically for business key man may also be something that should be considered.

The issue is complex; the options many. By working with us, and the MSEA we can provide you with quotes from multiple companies so you can be assured you get the best life insurance package for your needs and your money.

Give us a call, Sisk and the MSEA has a proven record of getting the best deal for our clients – (303) 831-7100.

### Utility Locate Mistake Could Have Led to a Very Serious Accident The lesson to learn

Recently an MSEA member was doing dirt work preparing a well pad for drilling. As required by law, the contractor called for utility locates using the Colorado 811 system. When he got the results for the locate ticket, everything showed that the area was “all clear”. The contractor completed the site preparation, and the well was drilled. After this portion of the work was completed, it was discovered that a high pressure 16 inch gas line ran underneath the pad (the well was drilled about 15 feet from the line). There was a lot of concern and the excavation contractor took the first steps in trying to track down the reasons the locater did not find and mark the gas line in question.

Excel Energy (owner of the pipeline) was notified and has followed up per their internal procedures. Utility Notification Center of Colorado (UNCC) was notified and they passed the information and details to the Damage Prevention Council for the Weld County area. **But, the questions remains, “What can be done when the contractor has done everything right and there is a major oversight that could have lead to serious injury, significant property damage, and even employees being killed?”**

The answer is somewhat unsettling and shows that human error can and does occur at all levels and in all organizations.

In talking to the folks at Excel, they indicated that when working in farmer's fields, the usual pipeline markers will not be present. This makes it hard for you as a contractor to look across the landscape and have a visual clue as to where a pipeline might be located.

*Continued on page 3  
Utility Locate*



## LESSONS LEARNED

### **If the Accident Should Have Caused an Injury – File a First Report**

Injured worker was a 46 year old employee that was hired a day before the incident in question. On the day of the incident, the employee was driving a vehicle. The employee made a driving error which caused the vehicle to roll onto its side causing significant damage to the vehicle.

The employee reported the accident, but when asked if he/she was injured, the employee stated they were not and declined treatment. The employer did not file a first report of injury believing there was no injury. As a result the employer did not give the designated provider letter.

The employee was terminated following this incident. Approximately 5 weeks after this event, the ex-employee filed a workers' compensation claim indicating he/she was having cervical pain and hired an attorney. Following this event, it was learned the ex-employee had a cervical fusion less than one year prior to the incident in question.

#### **Potential Claim Costs:**

**Not submitting a first report of injury to Pinnacol** - Employer can be penalized \$1000 a day for failure to report the claim

*Continued on next column  
Work Comp – Lessons Learned*

### **Work Comp – Lessons Learned – continued from column at left**

(35 days at \$1000 = \$35,000; Pinnacol Assurance will not pay any portion of this fine).

**Indemnity and medical care** – Employee can receive \$400 (weekly rate) for 20 weeks or \$8,000; there may also be a whole person impairment of 15% or \$30,720.

Medical reserve would be a low \$15,000 for evaluation, office visits, diagnostic testing and physical therapy...etc; however, this will likely increase due to delayed time in providing treatment.

**This claim has an initial total of \$53,720 with a high potential to increase due to anticipated delayed treatment, attorney involvement and complaints of pain.**

#### **Lesson Learned:**

When there is any on the job motor vehicle accident, this should be turned in as a workers' compensation claim. When there is **significant damage** to a vehicle, the employee **should not be allowed to decline treatment. This initial treatment can be used to establish baseline documentation of his/her condition. It will also allow the employee to be assessed and make sure all necessary resources are quickly coordinated to limit the exposure/cost of the claim.**

This one claim would cause the company's loss ratio to exceed 50% for the policy period and result in a negative experience mod for 3 years.

If you have a questionable claim or you are not sure if you should report an "event", it is always better to report the injury via the Pinnacol first report of injury than to not report it. If there are conditions that make the case questionable, they can be noted in the comments section. It is also important to conduct an investigation to document the facts surrounding the incident as well as to look at ways to prevent these negative occurrences. Always have a form available that allows an individual to select the designated provider they want to see, or if appropriate, allows the employee to decline medical treatment.

Please call Trevor Gilstrap at Sisk and Company for more information on the designated medical provider form mentioned above --- (303) 831-7100.

## Employment Posters Available Free to MSEA Members

The state of Colorado requires that all companies prominently display two posters related to workers' compensation law. These posters are: "Notice to Employees: Your Rights" and "If You Are Injured on the Job".

Recently, a few MSEA members have been contacted by individuals trying to sell them these posters – at very high prices. If you need these posters, Pinnacol Assurance provides them to policyholders at no cost, in English and Spanish. You can also obtain other free employment posters from the Colorado Department of Labor & Employment and the US Department of Labor by visiting these websites:

### Federal --

<http://www.dol.gov/oasam/programs/osdbu/sbrefa/poster/matrix.htm>

### Colorado – (links to Federal also) ---

<http://www.colorado.gov/cs/Satellite?c=Page&childpagename=CDLE-LaborLaws%2FCDLELayout&cid=1249907618881&pagename=CDLEWrapper>

## OSHA NEWS

## New Document Explains OSHA's Respiratory Protection Standard

OSHA has revised the Small Entity Compliance Guide for the Respiratory Protection Standard. The guide is intended to help small businesses protect workers from respiratory hazards. The updated guide, directed at businesses with fewer than 250 workers, explains how to comply with OSHA's Respiratory Protection Standard. It provides instruction on how to select and fit test appropriate respirators to protect workers in many

## Utility Locate – *continued from page one*

There is no excuse for the pipeline not being marked, however, the risk to your employees is real, so what can you do?

The only advice I was able to get from UNCC and Excel is to remind your crews that locates are not 100% accurate. Remind them that pipeline markers are not likely to be placed in areas of production farmland so look for other clues that can provide insight regarding where a pipeline might be located. This may involve looking for markers along the edge of roads, differences in vegetation growth, etc.

Lastly, UNCC has 14 damage prevention councils that follow up on these events. It is important to share your experiences with you local damage prevention council when locates were not completed to your satisfaction.

Wyoming has "One Call of Wyoming" and Utah has "Blue Stakes of Utah". Calling 811 in any State will give you the locate service for that state.

This event was truly a case where everyone involved was lucky. This is not a way to run a safety program, but by working with the local damage prevention councils, utility locates can be

different industries. It includes new illustrations to help employers and workers identify different respirators. The guide also describes how and where respirators should be used.

Additionally, the revised guide explains how Assigned Protection Factors (APFs) and Maximum Use Concentrations (MUCs), can help workers and employers assess the level of protection necessary in a given workplace. To order the Respiratory Standard Compliance Guide, please call (800) 321-OSHA or (202) 693-1999 or visit the following:

<http://www.osha.gov/SLTC/etools/respiratory/>

## Sisk & MSEA Offers Insurance Policies That Can Cover Business Losses from Employee Theft

Employee theft poses a serious threat to any business owner regardless of the company's staff size. Sobering statistics reveal that up to 30 percent of employees steal from their employers and employee fraud is accountable for 60 to 70 percent of corporate business losses. An employer must pinpoint employee theft areas if they want to protect their company from serious financial harm. A well designed insurance policy can be a financial life preserver in the event that a business suffers a significant loss due to employee theft or dishonesty.

Call Tom Sisk, Mike Eastop, or Dave Tacha to find out how an employee dishonesty policy can be purchased for your protection. In addition we can also provide you with seven simple steps you can take to help secure your business against theft.

The MSEA has been helping businesses manage workplace injuries and workers' compensation costs for over 20 years. Call us to learn about the other ways your affiliation with the MSEA can help save you money --- call (303) 831-7100 or toll free (888) 333-6620.

### NOTES FROM DAN

During our MSEA quarterly safety meetings in November, one topic we addressed was how complacency is a natural human function that all of us fall victim to. As a matter of fact, the longer we go without an accident or close call, the more we tend to "tune out" the concept that this activity can cause serious injury or death.

At the MSEA meetings we tied the concepts and science of complacency to behavior based safety, human performance considerations and to driving safety. However, we should have talked about utility locates as well.

Shortly after the meeting I was made aware of a utility locate issue where the contractor did everything right and the close call that resulted was because the locator did not identify a 16 inch high pressure gas line. It was only luck that kept the employees working in the area from having a serious accident. In following up on this event and trying to understand what could have been done differently, none of the players had a solid response as to what will be different next time.

One consideration is to work with the UNCC Damage Prevention Councils. The Weld County Damage Prevention Council is hosting a breakfast February 15<sup>th</sup>, 2012. They will be addressing questions, policies and laws regarding utility locates. For more information and to see the invitation, visit:

<http://www.gomsea.org/linkservid/CB6B4A4F-0E8F-AC3D-8B7457E851D17E63/showMeta/0/>

## 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  
Trevor Gilstrap

For benefit information contact:  
Todd Heiserman

**The following websites provide excellent insurance and safety information:**

[www.tjsisk.com](http://www.tjsisk.com)  
[www.gomsea.org](http://www.gomsea.org)  
[www.petrodocs.com](http://www.petrodocs.com)

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

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