

Dear CESA Members,

We are pleased to include two articles in our current newsletter that we think you will find useful and informative. The first one – about Safety, Health and Injury prevention was prepared by CESA’s ergonomics consultant. The second article – prepared by CESA’s safety consultant, provides a glimpse into the current state of the California workers compensation market, describes trends in premium rates, and why events are unfolding as they are.

As noted in an earlier newsletter, we have witnessed major reductions in workers compensation insurance premiums over the past several years. In 2009 this came to an end and premiums are now rising. CESA’s message throughout has remained the same. Safety in the workplace re-

duces occupational injuries thus lowering ex-mods and consequently insurance rates.

And now, one administrative matter – we want to verify that our e-mail database is current and so we will also be sending this newsletter out to the e-mail addresses we have on file. If you have not received the e-mailed version of the newsletter, please contact me at Hannah@cesa-cal.com. We will continue to do physical mailings in the future as well, but we want to be able to provide you with relevant information in a timelier manner as well.

Sincerely,

Hannah Edelman

Hannah Edelman, President

SAFETY, HEALTH AND INJURY PREVENTION

OFFICE ERGONOMICS

Sitting in a chair for eight hours a day can stiffen many parts of the body and make work uncomfortable after a while.

- There isn’t a BEST position to work. Don’t assume one posture and try and hold that for eight hours.
- Keep moving throughout the day. Sitting for long periods in the day will make your body stiff.
 - Proper chair height and adjustment are crucial to comfort when working on a computer. The chair should



be adjusted to a height where the elbows are level with the spacebar of the keyboard.

- Unadjusted chairs: If the backrest of the chair meets the seat pan, your chair hasn’t been adjusted. Raise the height of the backrest to where the rounded, lumbar support is at your belt line.
- Too low or too high: Adjust your chair height to where you can work with your elbows level with the spacebar of the keyboard. If you raise the chair height and your feet are off the floor, get a footrest.

Excessive leaning and resting on the elbows against a hard surface, over time, may lead to problems. It can squeeze the ulnar nerve at the elbow, which can cause the ring and pinky finger to get numb and tingly.

- Don’t rest elbows on the desk:
 - » Avoid the temptation to lean on or rest against the hard desktop.
 - » Rest on armrests only when taking a break, not when keyboarding.
 - » Raise the chair to work with the forearms parallel to the work surface.
 - » Make sure armrests are not too high or too low.

FOOD SERVICE

Washing dishes can be a tedious job, with long hours of holding the dish in one hand and washing with the other. Here are some suggestions:

- Suspend the hose to take the

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CESA SEMINAR AT CAHF’S 59th ANNUAL CONVENTION



Don’t miss CESA’s seminar:

“Falling Patients: Guard the Safety of Your Patients & Workers”

to be presented at the Solution Pavilion of CAHF’s 59th Annual Convention Palm Springs, California, Monday, November 9, 2009 at 11:00 AM

- weight off your arms and hands.
- Become ambidextrous. Switch the hand holding the hose often.
- Use a step stool when you need to reach while washing dishes.
- Don't use the metal sink rails to stand on because they become slippery when wet.
- Be sure anti-slip mats are in front of all washing bins to reduce the risk of slipping on a wet floor.
- Pushing a cart or dolly is part of everyone's job at some point.

Here are a few things to remember in order to reduce your risk for back injuries:

- Pushing is safer than pulling! Never drag a cart behind you. It forces your back into a twisted position which places you at risk for an injury. Always push a cart with two hands!
- Keep your elbows close to your sides when pushing! When your arms are close to your sides, it helps to protect the back and allows you to use more of your legs to move the cart around.

BACK INJURY PREVENTION

What is a safe lift? There is no such thing but there are things you can do to make any lift "safer":

- Work on equipment at WAIST height (set on tailgate of truck)
- Draw a "limit line" on buckets to limit the amount/weight of the load
- Store heavy objects/parts/food products at WAIST height
- Clear a pathway so you can get CLOSER to the load
- Place stickers on boxes/items that require a mechanical lift device or a "two-person" lift

Always Lift Properly. Back injuries can occur suddenly or be cumulative in nature; they can occur from one bad lift or occur gradually from forward bending over time.

- Get CLOSE: This will reduce the stress load on the back.
- Squat, Lock, & Lift.
- Lift with your legs keeping the curves in the back.

Do back belts prevent injuries? This question has been the focus of much research lately. If you choose to wear a back belt, here are a few things to remember:

- Wear them properly! Back belts should be worn low, on the hips, between the navel and tailbone. Most back belts are
 - placed here initially and creep up as the day progresses.
 - Don't wear them cinched up ALL day! Cinch them up only when you are going to lift.
 - "Superman Syndrome." Back belts often give us a greater sense of ability and we attempt to lift more than we should.



EVS SAFETY TIP: MOPPING

Mopping is a repetitive activity that can stress the muscles of the back and shoulders. Care should be taken to avoid injury.

- Choose the correct size mop. People come in all sizes and so do mops. A tall person using a short handled mop will work with the upper body bending forward. A short person using a tall mop will use more back muscles because the mop will be harder to maneuver.
- Use your legs when mopping. Keep your back straight and don't twist your spine. Bend the knees, not the back!
- Try using different mopping styles. This can give tired muscles a break:
 - » Figure-8 style
 - » Push-Pull method
 - » Rocking motion

Storing and pulling products from shelves or bays can be tough on the back. Here are some tips to avoid a back injury.

- Store heavy items at waist height. This is the easiest location to lift from.
- The most difficult lifts are those below knee level. Placing an extra pallet under items stored at floor level can raise it up, which makes it a safer lift.



PATIENT HANDLING

To prevent back injuries, the best recommendation would be to use the mechanical lift assist devices provided by your employer. Many back aches occur lifting and moving patients, as well as from forward bending over time when working with patients in bed. The best strategy for a healthy back is to keep your body in shape! Physically demanding jobs make you an "on the job athlete"! Is your body in shape to handle the needs of your job? Will it be 10 years from now? We keep our car in good shape – why not our body?

- Aerobic Exercise: Walk, swim or bike three to five times per week.
- Stretching: Stretch slowly and hold for ten seconds. Don't bounce.
- Strengthening: Lift weights two to three times per week.
- As we age, bending and lifting feel like they take a bigger toll on our bodies, especially the knees. If your knees are feeling the effects of aging, try these:
 - One Knee Down: Do this if you need to bend for a while, perhaps while working with someone in a wheelchair.
 - Golfer's Lift: Do this if the load is light and you don't want to bend your knees

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The California Workers Compensation Market: Rough Waters Ahead!

“Those who do not learn from history are doomed...”

—George Santayana

Spanish born American Philosopher, Poet and Humanist. 1863-1952

It is common knowledge among insurance professionals that insurance premiums continuously rise and fall over time in a loose pattern called “The Underwriting Cycle.” There are three main factors that affect this cycle: Competition, Government Action, and Loss Control Efforts.

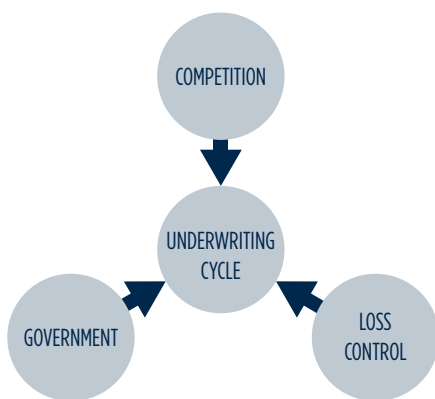


Figure 1 - Underwriting Cycle: Main Factors

The first and most compelling factor is competition. There is a very basic principal involved. Businesses chase profit and flee from losses. Insurance carriers like to enter and compete for market share where and when other carriers are making large profits. Once committed to a market, carriers will compete vigorously for market share to the point that the market becomes unprofitable. Unfortunately for insurance companies, there is a significant lag between when a market becomes unprofitable and the awareness that the market is unprofitable. In an unprofitable market some carriers go bankrupt, others

leave the market or severely curtail their activities, and the remaining carriers dramatically increase premiums to gain profitability. High premiums and little competition create an extremely profitable market and the cycle begins anew.

Competition is not the only factor driving the high peaks and low valleys of the underwriting cycle. When premiums are high and most carriers are bankrupt or have left the market (this is known as a hard market), government begins to take action. A “Hard Market” also prompts intense loss control efforts on the part of the insurance consumer. When the legislative and loss control efforts take effect, premiums are still high. High premiums and low losses lead to large profits which prompt the government to pass legislation designed to make sure the “little guy” gets his fair share from the profiteering insurance companies. As premiums fall, loss control efforts become lax. Just as there is a reaction lag in the competition component of the “Underwriting Cycle,” there is a lag in the government and loss control components.

In order to conceptualize the aforementioned lag, it is useful to compare premiums to loss ratio. The loss ratio is very simply the percentage of premium dollar for a given year that went to pay losses. The loss ratio is a good indicator of insurance company profitability for a given time period. The California WCIRB produces a report several times a year that shows insurer experience. By taking the average premium per \$1,000 of payroll in the state and comparing that rate to the

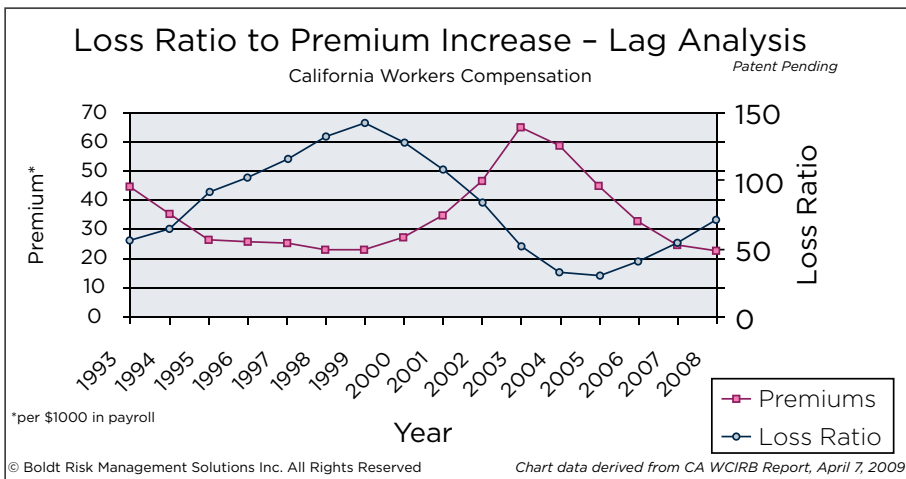
loss ratio for a particular year, a sense of the “Underwriting Cycle” can be seen. This comparison shows how premiums continue to decrease or remain steady even during times of dramatic increases to the loss ratio.

In addition to the three factors mentioned above, there are some internal insurance company factors that likely contribute to the long reaction time. At the beginning of these periods of increased losses, carriers are in the throes of highly aggressive competition for market share. Underwriting rigor is usually greatly relaxed during a soft market so there has been little consideration given for good and bad risks. Claims reserves are often inaccurate because of overly optimistic assumptions based on the previous era of loss reductions or in some cases due to insurance company management pressuring the claims administrator to keep low reserves as a service to the client (i.e. lower X-Mods). Years after the fact the actual loss chickens come home to roost, and loss ratios are retroactively increased.

By the time these internal and external factors are worked out, many carriers are gone. In the year 2000, twenty-seven Workers’ Compensation Companies went bankrupt according to former California Insurance Commissioner, John Garamendi. Some industries, such as long term care providers, began to suffer the ill effects of a hardening market sooner than others.

Current trends and anecdotal evidence show ominous signs that the workers’

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It may be time to look for a stable carrier who will be a partner in your loss control efforts, rather than the absolute cheapest premium. Carriers with the lowest premiums and least effective loss control program will be the first ones to fail or abandon the California market. Avoiding these at-risk carriers could be the most important navigational tactic for California employers to avoid the rough waters ahead.

About the Author: Michael Boldt is the president of Boldt Risk Management Solutions Inc. Mr. Boldt is a Licensed Nursing Home Administrator, an Associate of Risk Management, and has passed the CA Workers' Compensation Self Insurance Administrators Exam. Michael has performed governing, underwriting, loss control and brokerage duties in the insurance industry. Mr. Boldt is currently contracted by Convalescent Employers Safety Association (CESA) to provide expert advice regarding the association's safety efforts and to provide individualized safety services to CESA member facilities. Contact Michael at safety@cesa-cal.com.

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compensation underwriting cycle is about to repeat the traumatic ride of the mid 1990s and early 2000s. The preliminary loss ratio for 2008 is more than double what it was in 2005 and is likely to increase when actual losses shatter the rosy assumptions used to inadequately reserve for losses. The WCIRB has suggested a substantial rate increase for the last three years. The California Insurance Commissioner has rejected those suggestions and premiums continue to fall. Lastly, carrier financial numbers, available on the National Association of Insurance Commissioners (NAIC) website, show heavy losses for 2008.

It is vitally important for employers to redouble their loss control/safety efforts at this time, even though rates are relatively low. Current loss experience will

affect premiums 2-5 years in the future. Experience modifiers will have a much greater impact on premiums if there is a shakeout of the California market leading to dramatically higher rates.

An employer whose carrier declares bankruptcy is exposed to the most detrimental effects of a market shakeout. These employers face the most drastic increases in premium as they scramble to find coverage in a collapsing market. Any open claims are assigned to overwhelmed claims managers with little incentive for effective management. Sadly, employers with good loss history, during coverage by a now defunct carrier, lose the positive experience modification to premiums that they earned; the WCIRB does not use loss history data from bankrupt carriers.

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CAL/OSHA Consultation Unit

The Cal/OSHA Consultation Service provides technical assistance to employers in health and safety issues. Consulting services include on-site visits (no fee), assistance in complying with Cal/OSHA standards, educational seminars, and publications.



The Consultation Service is separate from the Cal/OSHA Enforcement Unit. Consultants are not involved with enforcement activities such as inspections, citations and fines.

All communications between the employer and the Consultation Service are confidential and are not shared with enforcement staff. In exchange for this free consultation, however, employers must agree to correct in a timely manner any hazards that are identified.

To get help from Cal/OSHA consultation or learn more about services available, call (800) 963-9424 or visit www.dir.ca.gov/dosh/consultation.html.