On-Line Accident Reporting Debuts

SAF's new web site is now on-line. By pointing your browser to www.state.sc.us/saf, you will have yet another resource to enhance the management of an effective workers' compensation program.

The web site contains pages dedicated to the work of each functional area, in addition to news on SAF activities. Visitors will also be able to obtain SAF employee contact information, including fax numbers and e-mail addresses.

In the near future, policyholders will also be able to retrieve the most up-to-date versions of all publications, including this newsletter, as well as, the SAF Employee Handbook and SAF Employer Manual. Training schedules for safety and loss control classes and "on-demand" specialty training will also be available.

A special bonus to SAF policyholders is a "Policyholders Only" page, accessible by a special password. Access to that page allows policyholders to file First Reports of Injury (WCC Form 12-A) electronically without using a separate modem or custom software. Electronic filing means faster processing of claims and quicker benefit payments to injured workers.

Policyholders who currently process claims information electronically with OASIS software should begin reporting claims via the web site. OASIS will be deactivated in the near future.

Policyholders will now have access to historical claims information for their organization, which may eliminate the need for hard copies of the current monthly and quarterly accident reports. In the near future, the web site will also feature historical premium data.

A caveat - - information contained in the "Policyholders Only" page is intended for use by authorized claims and premium contacts. The User ID and password should be protected against unauthorized access. Data (hard copies or electronic records) related to individual workers' compensation claims is confidential and should only be reviewed by authorized individuals.

To receive your User ID, ask questions regarding on-line accident reporting, or make suggestions as to how we can improve our web site, please contact webmaster Vickie Harris at (803) 896-5863 or vharris@saf.state.sc.us.

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Hurricane Floyd Called For Special Action

The administration of a statewide workers' compensation insurance program is a complex process, even in good times. However, the pending arrival of Hurricane Floyd created a special challenge to ensure that hundreds of injured employees covered by the State Accident Fund would not experience difficulties in receiving their weekly benefit checks. Often times, these checks are the only source of income for injured workers and their families.

In the early morning hours of Tuesday September 14th, it became obvious that a mass evacuation of the SC coast was about to be ordered. The flexibility of the State Accident Fund's new Information Management System allowed the development of a plan to meet the special needs of the covered employees receiving weekly temporary-total (indemnity) payments in the affected areas. All employees in the affected area who would receive a weekly indemnity check during the next five days were identified. SAF adjusters and other claims staff attempted to contact every employee. Even though a voluntary evacuation was already in effect in some areas, the adjusters were able to contact a large number of injured workers and determine how they wanted their payments handled due to the hurricane.

Some chose to have their check mailed as usual. Over 40 injured workers asked that their check be held and not mailed until after the evacuation was over. A smaller number picked up their checks at the agency as they evacuated through Columbia.

Although a relatively small percentage of the people contacted requested special handling, everyone expressed their appreciation for the efforts of our staff.

“On-Demand” Training Meets Your Needs

SAF continues to offer training classes designed to meet the differing needs of our individual policyholders. Even our most basic class is customized to the unique characteristics of the participants in attendance:

Workers' Compensation 101 - The Basics
This course is a one-day overview of the workers' compensation process designed primarily for individuals who have little or no background in the workers' compensation claims process.

Topics covered in this class include:
- SC workers' compensation law and the SC Workers’ Compensation Commission
- benefits provided under workers' compensation insurance
- an overview of the State Accident Fund
- accident reporting procedures
- payment of temporary compensation
- processing required forms
- impairment v. disability
- claims settlement guidelines
- third party claims
- Second Injury Fund recoveries
- the premium calculation process
- safety and loss control
- how to develop an effective workers' compensation program.

Cost: Free to SAF policyholders
Date/Time: Available on-demand (2 weeks advance notice requested)
Location: Your office or SAF headquarters

For further information on this class, or to discuss the design of a customized training curriculum for your organization, please contact Walter Caudle at (803) 896-5814 or WCaudle@saf.state.sc.us

THE SAF SOURCE is a quarterly newsletter published by the SC State Accident Fund as a vehicle to provide news, technical information, and guidance to state/local government policyholders, policymakers, and others concerned with the management of workers' compensation programs.

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What Can You Do About Workplace Violence?

We have been overwhelmed by the recent media reports of workplace violence incidents. July’s shooting incident in Atlanta has made many employers take notice of workplace violence issues. Unfortunately, some employers have failed to address the potential problem for workplace violence. Like many issues, we sometimes think "it won't happen to us." Unfortunately, workplace violence has struck shopping malls, law offices, government buildings, insurance companies, computer firms, banks, airlines, restaurants, schools, and even libraries. Although some industries and occupations seem more prone to workplace violence, no work environment is immune.

The National Institute for Occupational Safety and Health (NIOSH) reported that employees murdered over 100 bosses and co-workers in 1997. NIOSH also reports that homicide due to workplace violence is the leading cause of death for women and the second leading cause of death for men in the workplace. SC OSHA reports that workplace violence accounts for 26% of the workplace fatalities in SC. In 1998, 47 workplace violence incidents were reported in SC.

Although most of the incidents we hear about in the media resulted in death, workplace violence by definition includes all types of physical or verbal assaults, threats, coercion, intimidation, and all forms of harassment. The Workplace Violence Research Institute definition for workplace violence is "any act against an employee that creates a hostile work environment and negatively affects the employee, either physically or psychologically."

Employers need to be proactive in preventing all forms of workplace violence. According to Larry J. Chavez, Sergeant with the Sacramento Police Department Hostage Negotiations Team, there are actions an employer should take to address workplace violence:  
- develop a written policy emphasizing that any form of workplace violence will not be tolerated  
- organize a cross-functional team to develop policies and prevention procedures  
- educate employees on workplace violence awareness, early warning signs, emergency procedures, and prevention.  
- train employees to improve their "survivability" skills in the event of a serious incident of workplace violence.  
- develop and enforce consistent personnel policies  
- designate a management representative to take workplace violence complaints and encourage employees to report all threats or incidents

- establish employee assistance and peer support programs; encourage employees to seek help when needed
- use conflict resolution to address problems between employees.  
- take immediate action against all forms of workplace violence.  
- establish a working relationship with local law enforcement agencies and prepare to assist them in the event of an emergency. 
- use legal remedies which address the issue of workplace violence.  
- assign a employee to be the designated media contact for your organization  
- employ the highest practical level of physical security in your workplace  
- conduct periodic evaluations of your program

OSHA’s "General Duty" Clause (29CFR 1900, section 5(a)(1)) dictates that employers provide a "...safe and healthful work environment for all workers..." There are significant fines for noncompliance. In addition, millions of dollars are awarded as a result of lawsuits for wrongful death or negligence. However, no amount of money can compensate for the human suffering brought about by a single violent incident.

Protecting your employees by addressing workplace violence is the right thing to do. A positive spin off of your prevention efforts is that you convey to your employees that their safety is one of your top concerns. This effort results in a win-win situation.

Safety & Loss Control Services Available

SAF offers no-cost safety and loss prevention services to all policyholders. These services include confidential on-site inspections, training classes, technical consultation on OSHA compliance issues, and access to a library of training and informational videos.

For more information, please contact:

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W/C Fraud Is Not Just Wrong, It’s Illegal

Auto, home and business insurance fraud cost Americans more than $20 billion a year. Include life, health and other lines of insurance and the fraud tab may exceed $120 billion each year.

In spite of these statistics, most people think that fraud is a victimless crime. Unfortunately, every insurance consumer is a victim — insurance fraud directly affects the amount you pay for all lines of insurance and ultimately increases prices you pay for goods and services...including workers’ compensation insurance.

In SC, insurance fraud is a crime, with civil and criminal penalties ranging from fines up to $50,000 and/or ten (10) years in prison. Furthermore, any person convicted must be ordered to make restitution. Investigations are conducted by SLED. Prosecutions are handled by the Office of the Attorney General.

The SC Omnibus Insurance Fraud and Reporting Immunity Act (SC Code Section 38-55-510) also states that anyone involved in any type of insurance transaction (including claimants, witnesses, regulatory agencies, courts, medical providers, adjusters, insurance carriers, employers, and attorneys) has a responsibility to report suspected fraud. “Fraud” is defined as any “false statement and/or misrepresentation made by any party to gain an economic advantage in an insurance transaction.

Fraud includes misrepresenting facts on an insurance application, “padding” legitimate claims, submitting claims for injuries or damage that never occurred, and “staging” accidents.

Several warning signs indicate that a claim may be questionable. “Red flags” include:

- claims filed on Monday morning
- no witnesses to the incident
- conflicting descriptions of what happened
- a history of filing claims
- delayed reporting of an incident to a supervisor
- employee refuses authorized medical treatment
- employee is hard to reach at home
- frequent request to change physicians.

However, remember that warning signs are only indicators of fraud, and they do not necessarily mean that a claim is not legitimate.

Most people think of workers’ compensation fraud being caused by dishonest employees. However, workers’ compensation fraud is also committed when policyholders underreport payroll amounts, use improper classification codes to misrepresent high-risk employees, or exclude certain employees from coverage with the justification that they are “independent contractors.”

What can you do to minimize workers’ compensation fraud?

- demonstrate a genuine concern for employees & communicate with them
- ensure that employees are trained concerning safety precautions for their job
- require immediate reporting of all accidents; report suspicious claims as “alleged”
- conduct accident investigations
- utilize a “designated treating physician” who specializes in occupational injuries
- encourage the employee and medical provider to set reasonable goals concerning treatment
- offer a “return-to-work” program
- properly report all payroll & employee classification codes
- clarify the employment (and coverage) status of all temporary, casual, & contract employees.

The Attorney General’s Insurance Fraud Division, in conjunction with the Professional Insurance Agents of SC and the SC Insurance News Service, has established the Insurance Fraud Hotline. If you suspect any type of insurance fraud, call toll free at (888) 95-FRAUD. You don’t have to give your identity.

FRAUD TRIVIA

In Nevada’s largest w/c fraud case, Jamie Kemp, 31, was originally awarded $1.3 million in 1991 after she fell over in an office chair, injuring her back. She also received $2 million from a third-party product liability suit for her injuries.

A different story surfaced during a bitter divorce in 1996 when her ex-husband revealed she actually hurt her back at home sitting in a child’s chair that collapsed. She eventually pleaded guilty to insurance fraud and agreed to pay back the $2 million, even though she only netted approximately $1 million because of litigation costs and attorney fees...

The Coalition Against Insurance Fraud reports the average American household pays $1,000 a year in extra insurance premiums each year as a result of fraud. For more details, visit their web site - www.insurancefraud.org...

Anti-Fraud laws in 33 states reduced costs in 1997. The NCCI study reported costs per covered worker would have been 18.7% higher, while the frequency of lost-time claims would have increased by 10.4%. The average costs of lost-time claims would have been 7.3% greater.
Be Safe With SAF’s Holiday Checklist

The holiday season will soon be upon us. During this hectic and joyous time of the year, don’t overlook some common-sense tips for keeping you, your family, and your home safe and accident-free:

SHOPPING
- shop with a friend; there’s safety in numbers
- don’t carry credit cards you won’t use; make a list of all account numbers and phone numbers for reporting lost/stolen cards
- avoid carrying large sums of money; men should wear their wallets in a front pocket; women should avoid shoulder bags in favor of fanny packs or clutch purses
- wear comfortable clothes and shoes
- park your car in a well-lighted area; always lock your doors; lock gifts in the trunk or other covered and secure area
- avoid walking between cars; have your keys ready before you get to your car
- walk with confidence; don’t look like a victim
- be alert; watch what’s going on around you
- don’t overload yourself with packages
- don’t lift heavy items without help
- avoid making ATM withdrawals at night or in remote areas
- don’t resist a robber; it’s better to lose your property than to be injured

HOME DECORATIONS
- never leave a burning candle, menorah, or fireplace unattended
- use only lights and electrical cords that are UL-rated; inspect all items for frayed cords, loose connections, and broken sockets; don’t overload electrical circuits
- use only fireproof or fire-resistant decorations

LIVE CHRISTMAS TREES
- select one that has a deep color and strong scent; the trunk should be sticky with sap; avoid trees whose needles fall off easily when the tree is shaken or bumped lightly
- select a location away from heat ducts and fireplaces
- water the tree frequently

COOKING
- never leave your kitchen unattended
- when in doubt, always use a bigger pot to minimize food from boiling over
- supervise children at all times
- thaw frozen meat in the refrigerator or microwave - - not in the sink or on the counter
- refrigerate leftovers promptly

ENTERTAINING
- don’t drink & drive; pick a designated driver
- serve plenty of food and non-alcoholic beverages
- close the bar at least an hour before the end of a party
- resist the urge to overeat
When A Promotion Is Not A Good Thing...

The next time you complain about your job, consider this: According to a report by Reuters News Service, a woman in Birmingham, England was awarded $100,000 for job-related stress because she became depressed after being promoted -- against her will.

Beverley Lanster was a former Birmingham City clerical worker when she was promoted in 1993. Although she was promised training and support for her new position, she says she had no qualifications or experience for the job whatsoever.

Through 1997, Lanster often reported illness to work, and the judge presiding over her case agreed that her new job led to her psychiatric illness. "I should be working," Lancaster was reported as saying. "My employers should have listened to me, but I was treated like a number, not a human being."

In SC, employees may be eligible for workers' compensation benefits if they sustain a physical and/or mental injury as a result of exposure to "unusual and extraordinary" stress in the workplace. For more information, contact your claims adjuster.

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The SAF Source Fall, 1999

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Is Our Mailing List Information Correct? Should We Add Someone To Our List?
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