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Summer 2001

THE SAF SOURCE

*SC State Accident Fund's Quarterly Workers' Compensation
News and Information Resource*

Why Did You Pay That Claim?!?!

As your workers' compensation insurance company, we receive many questions concerning why we make payments on specific claims. Various explanations for questions that arise are discussed in this article. Please remember that these are general concepts that do not apply in every situation, but are generally held true. As with all workers' compensation situations, each incident is fact specific and must be evaluated separately.

•Falls: Whether a fall is compensable depends on what caused it. If the employee slips in a puddle at work, it's compensable. If the employee is just standing somewhere and suddenly collapses, the fall might be due to an "internal breakdown" and not be compensable. This is very rare and difficult to prove. There is a "kicker" —if the employee falls from an "internal breakdown" wholly unrelated to their work, and hits an object on the way down, the claim will probably be compensable. The reason? The work put the employee in a place where there are objects that can cause injury.

•Aggravation of a Pre-Existing Condition: This has always been a confusing area. The question is, if someone is hurt or has back problems, why do we have to pay for treatment to the same body part?

We will use the back as an example, as that is where many of these questions arise. Many people have back problems, such as degenerative disc disease (DDD) that often occurs with aging. If the employee injures their back and the level of DDD is not at all changed or not made worse, then there was no aggravation. If the DDD is aggravated by the injury, then the injury is compensable. Even if the DDD is not aggravated, if the back was injured in some other way, the physician that assigns the impairment rating would take both the DDD and the injury into consideration. Courts have found that the initial injury can trigger a latent condition, making both the injury and the latent condition compensable.

•Auto Accidents: These fall under the "going and coming" rule. There are so many variations, please understand that what is said here is the most **general** of guidance. The "going and coming" general rule is that accidents going to and coming from work are not compensable. There are exceptions that make these accidents compensable. Some examples of these exceptions: if the employer supplies the car; if the employee is charged with a duty while going to or coming from work; if the way into work is inherently dangerous; if the

employee is performing a special errand for the employer (such as after normal working hours or on a day he does not ordinarily work) and if the commute is brought into the scope of work by agreement or contract.

Please feel free to call Bob McCulloch or Cyndy Polk in our legal department if you have any questions concerning the compensability of a claim.

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Ask SAF....

Q Am I covered by workers' compensation insurance while working for my employer away from my employer's premises?

A Yes. If you are accidentally injured while performing work-related duties away from your em-

ployer's place of business, your injury would be covered. A simple test for determining whether your injury is covered is to ask yourself this question: Did the accidental injury occur in a place where I may reasonably be expected to perform my job duties while I was performing those duties?

Please feel free to write, e-mail or call the editor with any questions you would like to see addressed in this column.

THANK YOU!!!

The State Accident Fund would like to thank all of our policyholders who took time out of their busy schedules to complete our annual survey on the service we provide. This year's results showed some improvement and showed us the areas where we need to work even harder! Thank you again for your input!



The SAF Source is a quarterly newsletter published by the South Carolina 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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Workers' Compensation Premiums: Why are premiums adjusted at the end of the policy year?

One of the most common questions we hear at the State Accident Fund concerning premium determination concerns the confusion over premium adjustments. As you know, workers' compensation premiums are based on the total wages and salaries paid or payable (your payroll) by your agency for services of individuals who could receive workers' compensation benefits for work-related injuries as provided by South Carolina statute.

Since you do not know exactly what your wages and salaries will be at the beginning of the policy year, you provide us with an **estimate** of what you expect your payroll costs to be for the year. Because this is only an estimate, the premium you pay is also an estimate of what the final cost will be. **It's only at the end of the year that you know what the actual payroll costs were and only then can we determine your actual premium for the year.** Thus, although workers' compensation insurance premiums are based on actual payroll during the policy period, exact payrolls cannot be determined in advance.

If you have any questions about premium determination, please feel free to contact our Policyholders Services Department.



Thank You!

Welcome New Policyholders!

*Beech Island Fire Department
Beech Island, SC*

*Hugar Rural Fire Department
Moncks Corner, SC*

*Gilbert-Summit Rural Water District
Gilbert, SC*

*Jackson First Alert Rescue Squad
Jackson, SC*

*Givhans Fire Department
Ridgeville, SC*

*Sumter WIA
Sumter, SC*

*Graniteville-Vaucluse-Warrentonville
Volunteer Fire Department
Graniteville, SC*



Ergonomics -- What Now?

As you may recall from our last newsletter, OSHA's Ergonomics Standard was repealed by Congress earlier this year. However, the underlying law is still in force. Chapter 15 of Title 29 addresses the "Duties of Employers and Employees".

"Duties of employer and employees

(a) Each employer --

(1) shall furnish to each of his employees employment and a place of employment which are free from recognized hazards that are causing or are likely to cause death or serious physical harm to his employees;

(2) shall comply with occupational safety and health standards promulgated under this chapter.

(b) Each employee shall comply with occupational safety and health standards and all rules, regulations, and orders issued pursuant to this chapter which are applicable to his own actions and conduct."

OSHA can and still does fine employers for ergonomically unsound practices.

The real issue is the repetitive stress injuries (RSI) often referred to as "cumulative trauma disorders", the causes of which are complicated. They have increased significantly over the last several years and have a tendency to be more expensive than "regular" injuries. Carpal-tunnel syndrome is the major culprit. However, there are also sudden and immediate injuries—sprains, strains, etc. that arise from employees working in an ergonomically unsound manner. Employers must take preventative actions to avoid such injuries.

Experience Modifiers (AKA E-Mods)

The State Accident Fund uses the experience rating plan developed by the National Council on Compensation Insurance (NCCI). The latest amendment to the plan discounts medical-only losses. Previously all losses were treated the same in that the first \$5,000 of any loss was fully counted in your experience modification (e-mod), regardless of the type of loss. Now medical-only losses are discounted, with only 30% of their dollar value included in the experience modification. *(Please note that not all policies are experience rated.)*

As a reminder, losses don't get factored into an experience modification immediately. Claims that occur during the current policy year are not a part of this year's or next year's experience modification. They are not included until after the second year and remain in the formula for three years.

If you would like further information concerning your e-mod, please contact your premium auditor.



Have a Safe & Happy Summer!



SAF Safety and Health Video Library

The State Accident Fund has a special free service we provide to our policyholders: the Safety Library! The SAF's library features training videos to supplement your safety and health programs. They are available for you to borrow free of charge. Each policyholder is allowed to check out two videos at a time for a two week time period. Below are listed some of the many titles available for your use! *For a complete listing, or to borrow one of our videos, please call your Safety and Loss Control Specialist.*

Accidents

Accident Investigation
 Accident Reporting & Investigation (C-1)
 It Only Takes a Second
 Near Misses (B-3)
 Shortcuts (B-4)
 Star Witness: Accident Reporting

Back Awareness

Back Belts
 Back on Track: Back Pain & Injury Prevention Program
 Back Wise: Ways to a Healthy Back
 Save Your Back Program: Patient Transfer
 Worker's Enemy Number One

Disaster Preparedness

Disaster Preparedness: What To Do If It Happens (C-3)
 Egress/Exit Safety
 Natural Disaster Preparedness

Driving

Driving Defensively I
 Driving Defensively II
 Drive Safely (B-3)
 Flagging Operations & Procedures
 Passenger Van & Shuttle Bus Operations I
 Passenger Van & Shuttle Bus Operations II

Equipment and Machines

Hand Tool Safety
 Machine & Equipment Safety (C-2)
 Machine Safety Guards
 Shock Hazards: Power Tools
 Shortcut to Disaster: Part I - Chainsaws
 Shortcut to Disaster: Part II - Chainsaws
 Table Saws
 What a Grind: Grinding Wheels

Ergonomics

Basic Ergonomics
 Body Mechanics: Preventing Pain & Strain (B-4)
 Preventing Hand Injury: 3 Lines of Defense (C-2)
 Repetitive Motion Injury: Prevention is in Your Hands (C-3)

Fire Safety

Fire Extinguisher Training & Use

First Aid

Heat Can Kill
 Heat Stress (C-4)
 Thermal Burns

General Workplace Safety

Commitment to Safety: Safety Orientation (C-1)
 Employee Responsibilities
 Improving Employee Safety Performance
 Managing Safety & Health
 On Any Given Day
 Safety Matters
 There's No Magic to Safety
 The Safety Mentor
 Workplace Safety: Everybody's Business
 Work Zone Safety (C-2)

Hazardous Materials

First on the Scene: Hazardous Materials Safety
 Judge, Jury and Executioner: H2S Gas
 Safe Handling of Compressed Gas
 Up In Smoke: Flammable Liquids
 Working with Hazardous Materials: 10 Steps to Greater Safety (B-1)

Outdoors

Grounds Keeping Safety: Be a Pro!
 Outdoor Safety: Critters & Plants
 Pesticide Primer

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A New Dedication to Safety**

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The ABCs of Workers' Comp

Temporary Total (TT) Benefits—Weekly compensation paid to an employee who is unable to work due to a work-related injury or illness. These benefits begin after a seven (7) day waiting period.

Temporary Partial (TP) Benefits— Weekly compensation paid to an employee who has returned to work in a limited capacity after a work-related injury and is earning less than two-thirds of their pre-accident income.

Permanent Partial Disability (PPD) — The impact of a permanent impairment on an employee's ability to meet personal or occupational demands. It is the gap between what a person can do and what the person needs or wants to do. Disability is a subjective determination and is ultimately decided by the South Carolina Workers' Compensation Commission.