

Loss of Employees

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tools

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work

Lost time

Loss of Employee

Fines

Loss of Employees

Loss of customers

Cost of training

Spoiled work

Spoiled work

Economic loss

Loss of customers

Cost of training

Loss of employee morale

# The hidden costs of accidents



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# *No insurance covers all your losses*

**You can be sure that direct costs, such as medical and indemnity expenses, are covered by your policy.**

But what about hidden or indirect costs? When you take a closer look, you'll find that indirect, or hidden costs can stack up quickly:

- Time lost from work by injured employees
- Time lost by supervisors to investigate accidents
- Economic loss to an injured employee's family
- Time lost by fellow employees
- Loss of efficiency due to break-up of crew
- Cost of training replacement
- Damage to tools and equipment
- Spoiled work
- Loss of production
- Spoilage – fire, water, chemical, explosives, etc.
- Failure to fill orders, loss of customers
- Loss of employee morale
- Fines by regulatory agencies

You may also incur fines from OSHA, hearing costs, third-party liability and legal actions and increased Workers' Compensation premiums. In fact, hidden costs can add up to as much as four to seven times the insured cost — and that's a conservative estimate.

## **What can you do?**

You can take steps to reduce the hidden costs not covered by insurance by implementing an accident prevention and loss control program. An effective safety program can also help lower direct costs, including insurance premiums, compensation and deductibles.

A little training and education can go a long way. Ask a trusted employee to be responsible for inspecting your premises and reviewing your operations monthly. Ask each employee to identify and eliminate workplace hazards. Maintain records to evaluate progress in hazard detection and correction.

Just taking a moment to follow these simple steps can save you time and money and protect the lives and well-being of your employees.

Contact your local Farmers Loss Control Consultant to help you create a customized accident prevention program and ask about developing a self-inspection program for your business.

**Your Farmers agent will be glad to help find a Loss Control Consultant near you.**

**Call today!**