

MARCH  
2013

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IOWA MUNICIPALITIES WORKERS' COMPENSATION ASSOCIATION  
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# The Informer

A monthly newsletter addressing workplace safety by Iowa Municipalities Workers' Compensation Association.

## How do we spell success? I-M-W-C-A

The Iowa Municipalities Workers' Compensation Association (IMWCA) just completed its most successful year since its inception in 1981. With a loss ratio (claims compared to premium) just under 41 percent and an overall combined ratio (claims plus expenses compared to premium) of 62 percent in fiscal year 2012, the association's ratios were unmatched in the workers' compensation industry. The overall combined ratios of standard insurance carriers were generally in the 100 to 120 percent range.

Of all lines of insurance, workers' compensation is the most difficult to manage financially due to the severity and longevity of many of the claims. Money must be set aside for potential future medical and indemnity costs on the more severe claims, which may not be incurred for many years. It is also difficult to anticipate the number of claims that may occur in any given year. We know that the mild winter of 2012 was a major contributing factor to the association's excellent results for the year. The number of slip and fall injuries was down dramatically, and these often result in some of the more severe and costly claims.

Since its beginning in 1981, IMWCA membership has grown to almost 500 members with total assets of nearly \$75 million. The fund balance (members' equity) has grown from just over \$11 million in 2005 to \$41 million today. As a not-for-profit association, the fund balance accrues to the benefit of the

members and translates into stable, affordable premiums and more generous discounts.

This outstanding performance is due to several factors. First and foremost, it is the IMWCA members' growing commitment to providing and maintaining a safe workplace for their employees. This includes having written safety programs and procedures that are reviewed annually as well as providing ongoing training for all employees. Preventing injuries and implementing cost containment programs that reduce the cost of claims are the most effective ways of controlling premiums.

The second factor is the close oversight provided by the IMWCA Board of Trustees (Board). The nine elected and appointed officials who serve on the Board are committed to the best interests of the association and its members. The Board holds five formal meetings with Iowa League of Cities (League) Administrative Staff each year to review claims data and financial information, and to approve operational policies and procedures. As the members' fund balance grows, the Board looks for ways to return a portion of it to the member in terms of larger discounts and credits.

The third factor is the League staff that provides administrative services. Fifteen full-time equivalent League employees are dedicated to providing these services for IMWCA that include claims administration, loss control, underwriting, marketing and financial management. They are responsible

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for comprehensive reporting to the Board at each of the five formal meetings to help the trustees to make informed, prudent decisions. Their experience and expertise in municipal operations benefits not only the Board but also the members. They serve as a valuable resource to the entire membership and are unmatched in providing member services.

While the success of an organization is most generally measured in terms of its financial condition, we need to remember that the more important goal for IMWCA members is to make sure their employees return home safe at the end of each and every day. And when you consider the numbers above, they support that members take seriously this more important goal.

## Payroll worksheets are coming soon

IMWCA will be mailing payroll worksheets in the middle of March for the upcoming 2013-2014 policy renewal. Once received, please indicate any payroll that differs from our estimate and return before April 15, so that we can make appropriate adjustments for accurate estimating of your renewal premium. Final Estimated Premium Schedules, Information pages and Invoices will be mailed in May.

Contact us at (800) 257-2708 or [imwcainfo@iowaleague.org](mailto:imwcainfo@iowaleague.org) with questions.

**Safely Speaking**

## Seasonal employee safety training

Spring finds many municipalities gearing up for seasonal workers, who provide a boost to departments tasked with the management of parks, pools and athletic fields during the summer season. They also create a challenge to those responsible for worker safety. These challenges include dealing with new employees who have little or no experience. For some employees these jobs may be their first opportunity for real employment. Seasonal employees have the same rights and responsibilities of regular employees; however they seldom bring the same level of expertise to the workplace. This is where training plays a key role, both in the safety of the employee and the productivity of the workforce.

All seasonal employees should be trained. Returning seasonal employees should at least get a refresher course, even if they will be performing the same functions as in the past. Every employee should get the basics including what to do in case of an emergency such as a fire or tornado, and how to handle first aid verses a reportable injury. From there training should be specific to the job being performed. Even something as simple as equipment inspection prior to operating a riding mower can not only save the equipment from being abused, but it can save a serious injury. Finally, all employees, seasonal

or full-time, should understand that working safely and following all safety practices are a condition of employment.

It's a good idea to provide a mentor for a new seasonal employee, someone who can provide one-on-one assistance along the way. Designating a mentor makes it easier for a new employee to ask questions they may be reluctant to bring up in front of a group or to a manager, but need to be addressed. Sometimes a new employee will feel the need to prove themselves by taking unnecessary risks. Having closer supervision, be it a mentor or management, can stop this type of behavior before it becomes an injury.

Management should always follow up with new employees. Ask a question to determine if the employee has a good understanding of the task they are performing. Include seasonal employees in any safety related activities, be it a tailgate meeting before starting a project, or a safety meeting for all employees. Let them know they too are a valuable asset to your organization and part of the team. With the proper training and supervision, both the employer and employee will enjoy the benefits of a good seasonal work and worker experience.

**Safely Speaking**

## Pyrotechnic training

April 27, the Stumptown Shooters Club will provide Annual training in accordance with the Pyrotechnics Guild International (PGI) Display Operator Certification Course. This training adheres to NFPA 1123-Code for fireworks Display and the Official Safety Guidelines

of the PGI. IMWCA requires all volunteer firefighters involved in fireworks displays to receive this training, and it's a good idea to attend a class to raise a volunteer firefighter's awareness level regarding fireworks. Learn more in the February 26 post on our blog, Today @ IMWCA.

## CLAIMS CORNER:

Matt Jackson, Claims Manager

# Understanding the three-day waiting period

With the split point calculation change going into effect, it is now more important than ever to understand how the three-day waiting period works. Temporary total or temporary partial disability benefits are due when an injury results in more than three calendar days of disability. Benefits shall be paid starting on the fourth day of disability following the injury. In order for lost time benefits to be considered, the employee has to be removed from work by a doctor. Again, the three-day waiting period is based on calendar days and the days do not have to be consecutive. Saturdays and Sundays are included when figuring the three-day waiting period regardless of whether the employee works on weekends. The date of injury is not included in figuring the three-day waiting period.

For example, an employee is injured on a Wednesday. The injured employee sees a doctor on the date of injury and the doctor takes the employee off work until the following Monday. The three-day waiting period would be Thursday, Friday, and Saturday. We would compensate one day of lost time for Sunday.

Another example is if an employee is injured on a Thursday. The injured employee sees a doctor on the date of injury and the doctor takes the employee off work until the following Monday. The three-day waiting period would be Friday, Saturday, and Sunday. Since the employee is able to return to work on Monday no lost time benefits would be owed in this case.

Make sure your designated physicians/clinics know you have a light duty return to work program. It is a good idea to give the physician/clinic some examples of light duty jobs that may be available. If you are unsure whether the job you have available is within the restrictions, call the doctor and ask. It is important that your designat-

ated physician understands how the three-day waiting period works so he/she prescribes the days off work they intend.

Also, remind your employees of your light duty return to work program. Let employees know if they are injured at work you will try to accommodate any restrictions given by the doctor.

Hopefully these tips will help reduce or even eliminate your lost time claims, which will lower your experience modification factor and ultimately the premium you pay.

## Discounts and bonuses

On January 24, 2013, the IMWCA Board of Trustees met and reviewed the Discount Rating Plan and the Good Experience Bonus Program for fiscal year 2014. Consideration was given to the actuarial evaluation, the 10 percent rate increase recommended by NCCI and approved by the Iowa Insurance Commissioner, and the fund balance of IMWCA. The Board elected to increase the overall average discount in the Discount Rating Plan from 23 percent in the current fiscal year 2013 to 27 percent for fiscal year 2014. The Good Experience Bonus Program was left unchanged with credits ranging from 8 to 18 percent. These additional credits are applied for members with experience modification factors of .95 or less, stair-stepping up to the maximum discount for an experience modification factor of .85 or less. The increase in the Discount Rating Plan benefits all IMWCA members, while maintaining the credits in the Good Experience Bonus continues to reward the best performance.

IMWCA Informer is a bimonthly newsletter published by the Iowa Municipalities Workers' Compensation Association (IMWCA) in cooperation with the Iowa League of Cities.

This newsletter is designed to educate local officials on workers' compensation issues. Suggestions for articles or topics to appear in IMWCA Informer are always welcome. Contact IMWCA at (515) 244-7282. You may also view this publication online at [www.imwca.org](http://www.imwca.org).

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