



# Oil Patch Quarterly

Exclusive Program Managed by Sisk & Company

Fourth Quarter 2009

## INSURANCE NOTES

### Everyone Needs Life Insurance

#### The Reason Why is as Individual as You

There is no doubt that every person needs life insurance to provide for family members and final expenses and taxes. There is also no doubt that you can buy it from anyone. By working with Sisk and the MSEA for insurance needs such as life insurance, you can be assured that the products we recommend will serve the overall best interest of your family and business.

The type of life insurance policy that's right for you depends on many factors, including your budget, the amount of coverage you need, and the length of time you'd like coverage to last. In addition, coverage specifically for business key man may also be something that should be considered.

The issue is complex; the options many. By working with us, and the MSEA, we can provide you with quotes from multiple companies so you can be assured you get the best life insurance package for your needs and your money.

Give us a call, Sisk and the MSEA has a proven record of getting the best deal for our clients – (303) 831-7100.

### Seven Step Plan for Safety Success

By Dr. Isabel Perry

Would you consider going on a road trip without a map? Consider planning your Health and Safety Program the same way you strategize your road trip...plan for success.

The plan is intended to be a summary of how the employer will develop, implement and maintain an effective Health and Safety program in their workplace. The following is a general guide for structuring your program.

#### 1. Management commitment

The starting point for a good Health and Safety Program is a signed statement by management of their commitment to health and safety in the workplace. The assignment of responsibility for the Health and Safety Program should be given to someone in the organization with authority to oversee changes and allocate appropriate resources.

#### 2. Health and safety program analysis

To help identify unsafe conditions or practices and take action to prevent additional incidents, a review of workplace injuries, illnesses and accident investigations is necessary. You need to ask yourself, "How often and what instrument will be used?" "Who is responsible to ensure the review will occur?" "What records will be included?" "How will corrective actions be documented and tracked?"

#### 3. Safety education and training

The safety training element describes how workplace health and safety education "needs" will be identified and who will be responsible for the program. The course content and attendance records must be documented.

#### 4. Safety record keeping

Successful workplace health and safety programs keep good records. These records assist in identifying trends and keeping track of accidents to help prevent future injuries. Examples of records

*Article continued on page 3 – Seven Steps*



## LESSONS LEARNED

### Provide Two Choices for Designated Medical Provider

**Case overview:** The injured worker was a truck driver who worked for the employer for about 1 year. He sustained a low back strain while pulling hoses and this was exacerbated while hitting a series of bumps while driving. The claim was initially questioned by Pinnacol and denied based on details of the injury and past claim/settlement history. The employer had no concerns and wanted the claim covered. Liability was admitted, and the injured worker received care. The worker then hired an attorney. At this point the worker wanted to see a doctor of his choice. The employer had offered two choices, but the doctor that provided treatment had a financial interest in both clinics, and thus did not meet the rule 8 requirement for two doctor choices. Pinnacol was forced to allow the worker to treat with the doctor of his choice which drove up the cost of the claim significantly.

**Lessons Learned:** When selecting providers, Make sure the two designated provider choices given to the worker have no relationship, financial or otherwise. This is one reason why it is important to talk to the designated provider before making your selection. Secondly, investigate all reported injuries without emotion because once the claim is admitted it is too late to go back and deny the claim.

### Strategies to Prevent Employee Theft

- An employee dishonesty insurance policy can be lifesaver -

Employee theft and dishonesty poses a serious threat to any business owner regardless of the company's staff size. Sobering statistics reveal that up to 30 percent of employees steal from their employers and employee fraud is accountable for 60 to 70 percent of corporate business losses. Having a theft prevention plan and the appropriate insurance coverage is critical, more now than ever.

The best defense any business can implement is to prevent the losses for occurring in the first place. An employer should pinpoint employee theft areas if they want to protect their company from serious financial harm. We have identified seven simple steps you can implement to help secure your business against theft losses.

Property and equipment policies will not cover losses from employee theft. To fill this gap, we recommend an employee dishonesty policy. It protects your assets – money, securities, property and equipment – if stolen by an employee.

In addition to the protection offered by a well designed insurance plan, the following can help a business prevent an employee theft loss:

1. Run a full background check, order a credit report, check MVR and contact all references before you offer a job to a new hire. Exercise caution during the hiring process to protect your company from employee theft.
2. Ensure that your entire staff is aware of your company's zero tolerance policy regarding employee theft. Make it possible for staff to remain anonymous if they want to report an incident.
3. Learn as much as you can about the three common ways employee theft occurs: fraud, larceny and skimming. While larceny may be easy to spot through accurate bookkeeping, skimming occurs before your company's assets reach the books and fraud can be any scheme your employee uses to deceive you.
4. Keep accurate records to deter your employees from stealing your assets. You can increase your chance of catching an employee who steals cash or property if you keep a watchful eye and insist on accurate bookkeeping.

*Article continued on page 4 – Employee Theft Insurance Policies*

## Seven Steps --- Continued from Page 1

that must be kept include (not all inclusive): records of injuries and illnesses on the OSHA 300 LOG, safety training, safety inspections, status reports of any corrective actions, and safety meeting topics with attendance records.

### 5. Accident investigation

It is critical to determine the ROOT CAUSE of an incident to see if similar circumstances exist elsewhere in the workplace. These must be eliminated. An accident investigation process should be defined: How will the notification process occur? What types of accidents will be investigated? Who is responsible and included in the investigation? How will corrective actions be tracked? How will the process be documented?

### 6. Safety inspection and audit

Unsafe conditions or practices in the workplace should be identified before someone gets hurt. Safety inspections are not meant to be "Got you!" but rather, a method to remove risk from the workplace. The following questions should be answered:

Who will be responsible for seeing the safety audits and inspections occur? How often? Which areas? How will corrections that are needed be documented?

### 7. Safety program review and revision

As the nature of the business changes and new processes are added, a review of the safety program becomes more critical. As new safety and health regulations occur, they need to be wrapped into the safety program. Efforts should be dedicated to where there is the greatest risk. Only by reviewing the status can this be achieved.

Well, here is your roadmap to building a strong Health and Safety Program. It is not meant to be all-inclusive, but it will provide direction for companies looking for general guidance

This article contributed by:

Dr. Isabel Perry prescribes solutions to reduce risk, costs and increase production for all types of organizations. Dr. Perry is an Orlando, Florida based Safety Professional with over 20 years of broad-based safety experience including: safety speaker, safety consultant, expert witness, and former safety executive at a Fortune 50 company. Her clients include many multinational firms.

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## OSHA NEWS

### Workplace Fatality Update

By Todd Zentner, OSHA Compliance Assistance Specialist

The Bureau of Labor Statistics recently released information indicating that the number of workplace fatalities in 2008 decreased by 9 percent from 2007. A total of 5,057 worker deaths occurred in 2008 as compared to 5,657 in 2007. This is the lowest total since such data was first collected starting in 1992.

#### Region VIII:

As of the submittal of this article, OSHA Region VIII (Federal and State) has investigated 36 workplace fatalities in fiscal year (FY) 2009; compared to 85 fatalities in FY 2008.

#### The Oil and Gas Industry:

Comparing FY 2008 to 2009 year-to-date; there has been a 66 percent decline in the number of workplace fatalities in Region VIII. In FY 2008, 15 fatalities in the oil and gas industry were investigated as compared to 5 in FY 2009.

While the specific reasons for this decline are not fully known, some factors that may be attributed to this reduction in fatalities include a heightened awareness of safety and health related issues within the oil and gas industry, cooperative efforts with industry and regulatory agencies such as OSHA, and/or the recent downturn in the economy.

\* A fiscal year spans 10/1 to 9/30 of the next year.



## Employee Theft Insurance Policies - --- Continued from Page 2

5. Store valuables in a secure location and limit employee access to that area. Also, consider the installation of cameras in areas where employees handle cash or property.
6. Assign the responsibility to handle and control assets to more than one person. Keep your employees accountable with unexpected audits and take the time to review the books yourself at least once a year.
7. Purchase an insurance policy that can cover the losses your business may suffer from employee theft. Call Tom Sisk, Mike Eastop, or Dave Tacha to find out how an employee dishonesty policy can be purchased for your protection. --- call (303) 831-7100 or toll free (888) 333-6620.

**The MSEA has been helping businesses manage workplace injuries and workers' compensation costs for over 20 years. Call us to learn about the other ways your affiliation with the MSEA can help save you money --- call (303) 831-7100 or toll free (888) 333-6620 and ask to speak to Tom Sisk. It might be the best move you can take to for your business insurance needs.**

### NOTES FROM DAN

For the past several years, Sisk & Company and the MSEA have worked diligently to offer seminars and safety training that will help business owners and their management teams improve safety performance and business operations. The topics have ranged from DOT compliance to claim management, to accident case studies and drug awareness. One new seminar topic we added to our series was Employment Law.

The seminar was presented by an employment law attorney we partner with in the MSEA. The topics he covered focuses on what can be called the "*Bermuda Triangle of Family Medical Leave Act, American with Disabilities Act and Colorado Workers' Compensation Act*". As you can tell from the title, these laws are confusing. In this seminar, attendees gained an insight that provided clarity in how these laws impact your business operations.

As we close out 2009, we are proud to say we offered 47 seminars across Colorado. We are in the process of planning and scheduling seminars, training and quarterly safety meeting for 2010. Watch for the flyers and the blast email notices. If you have questions or know of others who should be receiving notice of these events, contact me so I can make sure we add these individuals to my contact list. I can be reached at: 303-831-7100 or [dklimek@tjsisk.com](mailto:dklimek@tjsisk.com).

## Contact Information

The Mountain States Energy Alliance (MSEA) is a not for profit association dedicated to helping members create a safer work environment in the oil and gas industry. The MSEA offers an exclusive workers' compensation program underwritten by Pinnacle Assurance for its members. MSEA members receive a 4% discount on their workers' compensation premium and may also qualify for a dividend payment based on favorable loss experience of the group. To see if your company qualifies for the program or for more information about the MSEA program contact one of the following.

Mike Eastop  
Dave Tacha  
Tom Sisk

For benefit information contact:

Todd Heiserman

**The following websites provide excellent insurance and safety information:**

[www.tjsisk.com](http://www.tjsisk.com)

[www.gomsea.org](http://www.gomsea.org)

[www.petrodocs.com](http://www.petrodocs.com)

**If you have questions or comments about this newsletter, contact:**

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