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AUTOMOBILE LAWS—Jan. 1, 2009

- **California drivers may not smoke in the presence of a minor within a vehicle, or else face \$100. fine. (SB 7)**
- **It is illegal to use or sell a product that impairs your license plate from being read by electronic cameras and other devices. \$146. fine for using such products, \$250 fine for selling one. (AB 801)**
- **Cell phone use while driving extends to texting. The new no texting law restricts drivers from writing, reading, or sending a text message while driving (\$20. 1st time / \$50. after)**
- **Zero Tolerance DUI law. Tougher penalties for drivers on court ordered probation. Immediate notice of suspension and vehicle will be impounded if such drivers show 0.01 percent or higher blood alcohol concentration.**

Understanding the True Cost of Claims

Chris Palmer
CMM Director of Risk Control

As Director of Risk Control at CMM, my job is to help clients identify, control and manage risk. One important part of the process is helping design and implement safety programs. These programs include procedures designed to identify hazards, control those hazards through inspections, document employee training, establish emergency procedures and investigate accidents. Having a written Injury & Illness Prevention Program that performs these functions is required under California law.

But more importantly, an effective program can save lives and improve your company's bottom line.

Did you know that the direct cost of a workers compensation claim is usually about 5 to 10% of the TRUE cost? Let's use an example:

Bob injures his back while lifting a heavy component on the assembly

line. With a severe back strain, he's out for six weeks and incurs medical bills including physical therapy.

But what is the true cost for his employer?

Bob's medical expenses and wage benefit will factor into his company's workers compensation loss experience and impacts the premium they pay.

While Bob is off the production line, the company has to hire temporary help at a cost of \$1,000 a week. The temp worker is not as efficient and productive as an experienced employee, and the delay in production causes his company to lose additional orders.

Bob's coworkers have to work harder to keep production at the level it was with Bob there. They get tired of the extra hours and their productivity starts to drop.

A few weeks later, one of



those tired co-workers himself is injured.

Bob returns to work after six weeks but it takes him another month to get back up to speed on the line.

So you see the true cost of Bob's claim can be many times higher than the original cost of the claim—the extra expenses, lost productivity and lost business opportunities. And never forget the greatest cost of all: the pain of injury and recovery for the person who was injured.

Think of a claim when you look at the above photo — the amount you can see above the surface is only a small portion of the whole.

The time and money spent on safety and loss prevention are paid back many times over.

To learn more about how CMM can help you, contact Bill Kulchin or Chris Palmer. Chris can be reached at +1 818 224 6142 or cpalmer@cmmeiers.com