



Workers' Compensation

Rating Bureau Recommends 11.2% Rate Hike

THE GOVERNING committee of California's workers' compensation rate-making agency on Apr. 16 voted to recommend that the advisory benchmark rate for policies incepting on or after Sept. 1, 2025, should increase an average of 11.2% across all class codes.

The news was a surprise considering that workers' comp rates have been on a downward trend for more than a decade.

The Workers' Compensation Insurance Rating Bureau will forward the recommendation to the Department of Insurance, which has rejected its rate hike requests five years in a row. For example, last year's 0.9% rate hike request was rejected in favor of a 2.1% reduction.

Cost drivers

The rate hike request is largely the result of several factors, according to the Rating Bureau:

Rapidly rising medical costs. The average medical costs per claim rose 12% in 2024 from the year prior. These costs also affect prior year claims if treatment carries over into multiple years.

Increasing claims frequency. After a decade of falling claims frequency — the percentage of claims per number of workers — frequency has risen every year since 2021, when it jumped 10%. Last year, it grew 1.7%. According to a presentation at the governing committee meeting, one of the main factors driving frequency was cumulative trauma claims, which accounted for 20% of all claims that had an indemnity component or pay for lost time.

Claims adjusting costs. The cost of handling workers' comp claims has also been increasing rapidly over the past few years, driven by increasing claims complexity and wage inflation for adjusters. The average claims adjustment expense increased 9.7% for claims 12 months old or less in 2024, compared to 7.4% in 2023 and 9.2% in 2022. All those costs have been cumulative.

What is the pure premium rate?

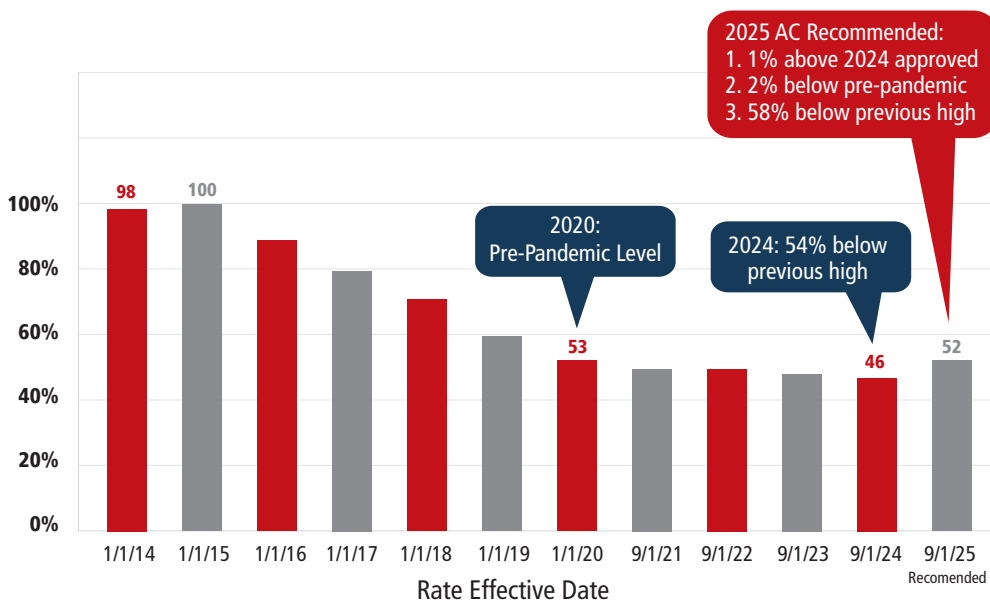
The rate request is for the advisory "pure premium" rate, a base rate that only accounts for the cost of claims and claims-adjusting expenses. It does not account for other overhead and insurer profit.

The pure premium is an average across all class codes. Individual employer premiums will vary depending on their industry, claims experience, X-Mod (if they have it) and location.

The pure premium rate varies from class code to class code, and it's not mandatory for insurers to set their rates based on it. Instead, they use the pure premium as a guidepost for pricing their own policies. ❖

Rates are still below pre-pandemic levels*

* Rates as a percentage of 2015 rates, chosen as the base year as it's the highest in 10 years.



Source: Workers' Compensation Insurance Rating Bureau



Automotive Aftermarket Services

7777 Greenback Ln. #212
Citrus Heights, CA 95610

Phone: (888) 383-2274
Fax: (888) 383-2211
www.aasins.net

If you have questions about our services, please e-mail us at: info@aasins.net

Good Housekeeping Yields a Safe Workplace

MANUFACTURING AND warehouse environments are often busy and hectic, with high potential for injuries or accidents to occur.

Good housekeeping habits can help reduce these hazards. Housekeeping is also an essential part of any effective safety program and a safe workplace can reduce the risk of injuries, which not only put employees in danger but also can affect your workers' comp premiums as well as force you to incur other costs.



Slips, trips and falls account for about 17% of all workplace fatalities. Many of these occur due to tools, hoses, cords, trash, debris or slips on spilled liquids or fluids.

Depending on the type and scope of work, it is important that you have staff perform housekeeping duties such as picking up trash and cleaning work areas as often as is required to reduce and eliminate safety hazards.

In manufacturing and warehouse facilities, it's imperative that you keep floors, walkways and other high-traffic areas uncluttered and clear of hazards.

Work areas should be kept free of tripping hazards and any spills or leaks should be cleaned and dried immediately. If they can't be, post a warning sign on the floor to alert workers.

Keeping the floors clean

- Cleaning items such as mops, buckets, brooms and dustpans should be easily accessible and stored close to the workspace.
- When mopping to clean a floor, make sure to use a "wet floor" sign to warn others that the surface could be slippery.
- Train staff in the importance of picking up trash and debris that accumulates throughout the workday.
- Keep trash cans and trash bins in easy-to-reach locations and empty them regularly so they do not become too heavy.
- Sweep smaller debris such as broken glass, nails and other trash into a dustpan, before placing it into the trash can.
- If sharp objects such as nails, broken glass or metal fall onto the floor, use leather gloves in addition to using the dustpan and broom to dispose of the trash.

Other housekeeping items

Keep tools and equipment clean and properly stored when not in use.

Be aware of open cabinet drawers, electric wires, sharp corners or protruding nails. Correct any such unsafe conditions immediately, but only if it is safe to do so. If the situation is too dangerous to correct, your workers should be instructed to notify their supervisor or the person responsible for overall facility maintenance.

The takeaway

The workplace appearance makes an impression on employees and visitors alike. Good facility housekeeping will help reduce workplace accidents, lower insurance costs, improve employee morale — and ultimately, increase business profits.

When a workplace is neat and clean, workers will feel better as they complete their daily work and production quality is improved. ❖

Aging Well Through Movement and Exercise

AS WE AGE, staying active becomes increasingly important for maintaining health and vitality. Exercise is one of the most effective ways to age gracefully, offering benefits that extend to the immune system, biological aging, brain health and overall well-being.

If you haven't exercised for years, or never really have, now is a great time to start, particularly if you are starting to feel the effects of aging. A little goes a long way, and you can begin slowly and build up over time. The most important thing is to start moving — and to keep moving.

Here's how to build a routine that works for you:

Getting started

Choose activities you enjoy – Whether it's walking, swimming, yoga or dancing, picking activities that you enjoy makes it easier to stick with your routine.

Join a group or class – Exercise with others provides social support and makes the experience more fun.

Build up gradually – If you're new to exercise, ease into it to avoid injury. Begin with short sessions of low-intensity activity and gradually increase the duration and intensity as your fitness improves.

Incorporate strength training – Strength training is essential for maintaining muscle mass and bone density, both of which naturally decline with age.

Use resistance bands, light weights or bodyweight exercises to build strength safely.

Stay flexible – Exercises like yoga or tai chi can improve flexibility, balance and coordination, reducing the risk of falls and injuries. At a minimum, incorporate stretching into your workout routine.

Set realistic goals – Setting achievable goals, such as walking a certain number of steps per day or attending a fitness class twice a week, can help you stay motivated and track your progress.

The takeaway

The key to taking up exercise is to go at a pace that's comfortable for you. It's not about hitting the gym and getting shredded.

Instead, build a habit of exercise, whether it's vigorous or not, and you'll notice that you feel better, are more flexible — and you may notice improvements in your health.





10 Tips for Dealing with OSHA Inspections, Citations

WHEN OSHA shows up, it's not the time to figure things out on the fly. Whether you're in construction, manufacturing or any other field with safety exposure, knowing the ground rules can make all the difference between a successful visit or one where you leave yourself exposed to penalties and a drawn-out appeals process.

If you aren't careful and prepared, fines can quickly pile up. Here's a quick guide to help you handle inspections, citations and communication with OSHA before, during and after they step on site.

1. Ensure you have a walkaround rep

Under OSHA regulations, you are allowed to have someone represent you during an OSHA inspection — yes, even an attorney. It's a smart move to assign someone in advance who knows your operations and your safety protocols and who can speak on your behalf.

2. Sit in on manager interviews

OSHA has the right to interview members of your team. If they interview one of your managers or supervisors, you have the right to be present. It's a good idea to have a company rep or legal counsel there to help ensure the facts are clear and accurate.

However, if they decide to interview a non-managerial employee, you do not have the right to have a manager present.

3. Employees have choices too

Non-supervisory employees can choose to speak with OSHA privately, but they don't have to. They have the right to refuse to participate in an interview with OSHA and to end an interview at any time. They can also refuse to allow OSHA to record the meeting.

Conversely, you cannot take retaliatory action against an employee who agrees to be interviewed.

4. There's a six-month deadline for citations

OSHA can issue citations up to six months after a violation occurs. However, if OSHA later learns that you concealed a violation or misled them, the clock resets to when they learn of the subterfuge.

If you don't hear back in the first month or two since the inspection, you are not out of the woods for several more months.

5. No injury? You can still be cited

A workplace injury might bring OSHA in the door, but they can cite you for any unsafe condition they find during the inspection — even if no one was hurt or the issue wasn't what prompted the visit.

6. "Not my worker" isn't always a defense

On shared job sites, you can be cited for hazards affecting another company's employees under OSHA's Multi-Employer Doctrine.

If your team creates or controls a risk, such as the owner of a construction project, you're potentially responsible — even if the injured employee works for a subcontractor.

7. Hazards can be cited, even without a rule

Under OSHA's General Duty Clause, it can cite you for a serious hazard even if there is no specific standard for the hazard and you haven't taken reasonable steps to prevent or abate the risk.

8. You have 15 working days to respond

If you get a citation, the clock starts ticking. You have 15 business days to formally contest it.

But you also have the option to negotiate a resolution before that deadline by requesting an informal conference, which can sometimes be a faster and less expensive option.

Employers often use these informal conferences to negotiate the settlement of a citation before resorting to legal remedies in a formal contest.

9. Citations don't have to be detailed

OSHA doesn't need to spell out every detail in a citation. As long as you get fair notice of what's being alleged, you'll need to get further clarity through the legal or discovery process.

10. Request inspection records with FOIA requests

You can request OSHA's inspection records using a Freedom of Information Act request.

These files can provide insight into why OSHA took certain actions, and help you better prepare for what comes next. ❖