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the Informer

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

Important: Obtain certificates of insurance from contractors

IMWCA wants to remind its members of the importance of obtaining Certificates of Insurance (COI) from all contractors doing work on behalf of your organization. Although this article focuses on workers compensation issues, obtaining COIs for all relevant types of insurance is just as important. Failure to obtain a COI can be costly for your organization.

A contractor is any person or third-party hired by your organization to conduct activities that are within your organization's responsibilities and paid in some fashion to complete these activities. Contractors may be hired for their specific expertise, to handle workload, or used to reduce costs for your organization.

A second point that is important to keep in mind is that anytime a contractor is hired, your organization should ensure the scope of work, compensation and contractor requirements are in a written form that is formally acknowledged by both parties before any work begins. This "Agreement" can be very simple or rather complex, depending on the nature of the work to be performed. It is within this Agreement that your organization will require that the contractor maintain required insurance and provide your organization with a COI issued by their insurance provider(s).

In your Agreement with the Contractor you will require that you be provided with a COI from the Contractor's insurance provider(s) before work commences. An ACORD COI is a standardized insurance document that lists the

contractor's insurance provider, policy types, policy period and their coverage amounts. A COI can be received by mail, email or fax. It should be kept with the agreement.

This COI must list your organization as an "Additional Named Insured." This is important, as it recognizes that the insurance provider acknowledges that the Contractor is doing work on your organization's behalf. In addition, if the policy should lapse, your organization should be notified by the provider.

Why does IMWCA insist on your organization obtaining a COI from your contractors? In the case of workers' compensation coverage, failure to obtain a COI for workers compensation could become costly for your organization. As the contracting party, your organization can be held responsible for covering the workers' compensation benefit costs of a contractor's employee if they are injured while conducting activities associated with your contract. As your provider for workers compensation, IMWCA would be required to handle this type of claim. The losses associated with managing the claim would then be included in your organization's loss ratios and subsequent Experience Modification Factor (EMF) calculation.

Therefore, if your organization's EMF increases due to the claim for the contractor's employee, your organization will incur higher premiums for workers' compensation coverage. Depending on the increase of your EMF, this can also

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result in a decrease or complete loss of certain IMWCA credits and/or Good Experience Bonus.

This is why we stress the importance of obtaining a COI for all of your organization's contractors, regardless of their size or type of work. To ignore this practice can be very costly and outweigh any savings that you may have planned on realizing by using a contractor in the first place.

IMWCA can provide further guidance on this issue. Contact us at losscontrol@iowaleague.org.

Do you know when to report a claim?

Watch this short video on YouTube to see if you know when you should report a workplace injury to Company Nurse, IMWCA's claims reporting partner.



National Safety Stand Down in May

May 8-12 marks the 4th annual National Safety Stand Down. Targeted towards falls in construction work, the Stand-Down provides all employers the opportunity to talk directly to employees about the risks of falls and protective methods to prevent them.

The cover article of the February issue of the Informer talked about IMWCA's experience related to OSHA's top 10 safety and health violations. Last fiscal year, IMWCA experienced 372 incidents where the claim cause was attributed to a slip, trip or fall, including 15 claims that involved either a ladder or scaffolding. This number is 19 percent of the total claims incurred for the year. The same injuries add up to more than \$1.7 million dollars and 25 percent of the total amount. It's safe to say IMWCA's most frequent cause of claim measured by both frequency and severity are slip, trip and fall injuries.

The National Safety Stand Down is the perfect opportunity for supervisors and safety committees to look back at your loss experience, determine where your slip, trip and fall exposures are, and make plans to hold a safety stand down in your organization.

The Occupational Safety and Health Administration (OSHA) provides a wide range of resources to assist in planning a safety stand down, from fact sheets to posters to tool box talks. Look for more information at www.osha.gov/StopFallsStandDown/resources.html. Start planning now to participate in this national effort to reduce slip, trip and fall injuries.

National Safety STAND-DOWN
TO PREVENT FALLS IN CONSTRUCTION
MAY 8-12, 2017

Stop Falls Stand-Down

- ▶ Plan a toolbox talk or other safety activity
- ▶ Take a break to talk about how to prevent falls
- ▶ Provide training for all workers

For more information:
www.osha.gov/StopFallsStandDown
#StandDown4Safety • (800) 321-OSHA (6742)

Logos for OSHA, CDC, MOSH, and EPHA are included at the bottom.



Busy season for ticks



April is the "busy season" for tick bites. If you're working outdoors or enjoying the beautiful weather be sure to look for signs of ticks in grassy and wooded areas. A tick bite is usually painless and remains that way even after the tick stops the blood meal and falls off of the skin. Later, the bite site might develop itching, burning, redness or a red spot. However, if you are allergic to tick bites you will develop a rash near the bite, shortness of breath, swelling or numbness. If you notice any of those symptoms, see a doctor right away to be treated.

To remove a tick use forceps or tweezers to grab the tick at skin level. Grasp the tick firmly with the tweezers as close to the skin as possible without crushing the tick. Apply a gentle pulling motion upward until the tick comes free. It is recommended not to use twisting or turning, it could make the tick go farther into the skin. Flush any removed ticks down a toilet or sink. After the tick is removed clean the bite and around it, then apply antibiotic cream. For more insight on ticks and treatment visit www.medicinenet.com/ticks/article.htm.

Employee, independent contractor or volunteer?

As a public sector employer your constituents expect you to provide the best service while being fiscally responsible. Independent contractors and volunteers can be great resources if used properly, but misidentifying an employee as an independent contractor or volunteer can be a costly mistake. Misclassification can result in back-pay of regular and overtime wages, back taxes, and fines.

The primary laws governing classification of employees, independent contractors and volunteers include the Department of Labor (DOL) Fair Labor Standards Act (FLSA) and the Volunteer Protection Act of 1997.

An employee is a person who is “suffered” or “permitted to work” as defined by the DOL. They are hired for a wage to perform work and have an employer/employee relationship. The employer provides direction and oversight over employee activities. The employer is responsible for providing employee benefits such as worker’s compensation, unemployment insurance and social security contributions.

An independent contractor is a person, business or corporation that provides goods or services specified in a written or verbal contract for a fee. The activities of the contractor must be spelled out in the scope of work and acknowledged by both parties. The government organization hiring the contractor does not provide direction and oversight to the contractor or its em-

ployees, nor does it provide any benefits, equipment or supplies. It is the responsibility of the independent contractor to provide proof of workers’ compensation and liability insurance.

A volunteer is a person who performs services for a nonprofit organization or government entity. There is no monetary compensation, other than reimbursement of expenses or a nominal stipend. Volunteers usually dedicate less time than employees or contractors. An important note: employees cannot volunteer in the same capacity as they are employed, (i.e. a full-time fire fighter cannot volunteer for the same employer where he is employed). Volunteers who are paid a stipend greater than \$500 lose protection under the Volunteer Protection Act. According to the DOL, volunteer pay cannot exceed 20 percent of what a permanent employee would be paid for the same services.

Take note, if you are paying your volunteer firefighters more than a nominal fee and directing their work, chances are they are employees and should be recognized as such in regards to your consideration of an eligible employee for the Family Medical Leave Act. Also, if a misclassified independent contractor or volunteer gets hurt while ‘working’, you may be responsible for their injury/illness as pertains to workers compensation. When in doubt, it is always wise to check with an attorney.

IMWCA Informer is a monthly newsletter published by the Iowa Municipalities Workers’ Compensation Association (IMWCA) in cooperation with the Iowa League of Cities. View past issues online at www.imwca.org.

Comments or suggestions: contact Bethany Crile, newsletter editor, at (515) 244-7282 or bethanycrile@iowaleague.org.

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Summary of Iowa’s recent workers’ compensation legislation

Passed during the 2017 legislative session, HF518 makes changes to Iowa’s workers’ compensation laws. A summary of those changes will be available on at www.imwca.org. Check the Quicklinks section on the homepage.

Information will also be available in an upcoming issue of the Iowa State Association of Counties’ *The Iowa County* magazine and the Iowa League of Cities’ weekly e-newsletter, *League Weekly*.

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