

safety matters

Construction

Toolbox Talks

From your safety partners at **Crendon Insurance Brokers Ltd**

Workplace Accidents Can Be Costly

We all know that safety is essential in the construction industry, but do you realise just how costly an on-the-job injury can be? The costs involved with injuries, such as working days lost and increased insurance premiums are a powerfully negative effect to a company's bottom line.

Why is profitability also an important issue to you? The only way that can stay in business is to operate at a profit and that ability can be threatened by a serious workplace injury.

The Real Cost of Workplace Injuries

It may be surprising to hear that most companies do not have a high profit margin – 3 per cent is about average. Expenses take a large chunk of the income and competition limits how much we can charge for the services that we provide.

Each time an accident occurs, the cost of the injury must be subtracted from profits. Consider the following two examples:

- At a 5 per cent profit margin, an extra £20,000 in income is needed to compensate for a £1,000 cost.
- If the profit margin is nearer to 1 per cent, an additional £100,000 worth of new income is necessary to maintain that profit level for the same cost.

As you can see, that adds up to a lot of extra contracts just to compensate

for a single injury. Plus, every time a worker gets hurt on the job, other employees are affected too. You may need to work extra hours to make up for the injured worker, the cost of insurance can go up, or the company may be forced to make difficult budget decisions such as cutting hours or having temporary redundancies.

Also, recovering from an injury can mean time away from work, painful rehabilitation and frustrating adjustments to daily life.

Practise Prevention

Though operating at a profit is essential to our success, our top priority is to keep our employees safe and healthy. That's why we are counting on you to help practise good safety principles on the job site, including wearing personal protective gear, following all safety procedures and noticing unsafe situations. Safe work behaviour will contribute directly to our bottom line as well as to everyone's job security. By observing safety precautions, we can limit on-the-job accidents.

It is always wiser to spend a bit more time doing the job safely than to risk getting a serious injury. Be sure to always follow our safety guidelines and stay alert for unsafe conditions. Think of practising good safety as both pain-free and profitable – a win-win situation for everyone!

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**Crendon
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