

Accident/Incident Cost Analysis

Date:

Type: Time Lost No time lost Property Damage Incident

Dept. / Area **Injured/involved worker**

Hourly wage including costs:

Calculate at base rate plus 16% to cover CPP/EI/WCB/Vac. pay/Benefits

(CPP = 4.95% / EI = 2.52% / Vac. pay = 5.76% / WCB = 2.62%)

Worker Supervisor Area average Clerical average Manager

Uninsured Costs:

Uninvolved employees

a. Time lost by non-involved employees (talking/watching/assisting/etc.)

..... (hrs) x (# of employees) x average wage =

b. Time lost by non-involved workers due to equipment damage/lack of materials/aid

..... (hrs.) x (# of employees) x average wage =

Total a. + b. = \$.....

Supervisor(s)

c. Time spent by Supervisor at time of accident (assisting/transporting employee/etc.)

..... hrs. x wage =

d. Time spent by Supervisor later (investigation/retraining/follow-up/etc.)

..... hrs. x wage =

Total c. + d. = \$.....

Management / Clerical

e. Time spent by management (investigation/follow-up/etc.)

..... hrs. x wage =

f. Time spent by clerical workers (writing reports/filing/follow-up)

..... hrs. x average clerical wage =

Total e. + f. = \$.....

Involved worker

g. Time paid but lost the day of the incident (paid travel to medical office/etc.)

..... hrs. x wage =

h. Time paid but lost subsequently (paid travel to medical office/etc.)

..... hrs. x wage =

Total g. + h. = \$.....

Other wage Cost

- i. Number of hours of reduced input by involved worker upon return
..... hrs. x wage x% (est. reduced output) =
- j. Number of hours of support (aid supplied at task to ensure adequate output)
..... hrs. x wage =
- k. Cost of learning period for new worker (permanent or temp. if applicable)
..... hrs. x wage x% (est. reduced output) =
- l. Cost trainer's wage to train replacement worker if applicable
..... hrs. x wage =
- m. Cost of overtime necessitated by incident
..... hrs. x (# of employees) x average wage =
- n. Cost of Supervisor overtime necessitated by incident
..... hrs. x wage =

Total i. + j. + k. + l. + m. + n. = \$.....

Non-wage costs

- o. First aid supplies, injured worker transportation, etc. \$.....
- p. Repair / replace / damaged equipment
(incl. building / equip. rental cost/etc.) \$.....
- q. Replace damaged supplies or products \$.....
- r. Other overtime costs (lighting/etc.) \$.....

Total o. + p. + q. + r. = \$.....

Total Accident / Incident Additional (Non-insured) Cost \$.....

Insured costs

- Worker compensation (wage replacement) \$
- Medical costs paid \$

Total Insured Costs \$

**IN TIMES OF KEEN COMPETITION AND LOW PROFIT MARGINS,
LOSS CONTROL MAY CONTRIBUTE SIGNIFICANTLY MORE TO PROFITS.**

It is necessary for additional sales of \$1,667,000 in products to pay the costs of \$50,000 in annual losses from injury, illness, damage or theft, assuming an average profit on sales of 3%. The amount of sales required to pay for losses will vary with the profit margin.

YEARLY INCIDENT COSTS	PROFIT MARGIN				
	1%	2%	3%	4%	5%
\$ 1,000	100,000	50,000	33,000	25,000	20,000
5,000	500,000	250,000	167,000	125,000	100,000
10,000	1,000,000	500,000	333,000	250,000	200,000
25,000	2,500,000	1,250,000	833,000	625,000	500,000
50,000	5,000,000	2,500,000	1,667,000	1,250,000	1,000,000
100,000	10,000,000	5,000,000	3,333,000	2,500,000	2,000,000
150,000	15,000,000	7,500,000	5,000,000	3,750,000	3,000,000
200,000	20,000,000	10,000,000	6,666,000	5,000,000	4,000,000

SALES REQUIRED TO COVER LOSSES

This table shows the dollars of sales required to pay for different amounts of costs for accident losses, i.e., if an organization's profit margin is 5%, it would have to make sales of \$500,000 to pay for \$25,000 worth of losses. With a 1% margin, \$10,000,000 of sales would be necessary to pay for \$100,000 of the costs involved with accidents.