

Insured vs. Uninsured Cost of Accidents

80% INDIRECT COSTS (Uninsured)

- Time lost from work by injured
- Loss in earning power
- Economic loss to injured's family
- Lost time by fellow workmen
- Loss of efficiency due to breakup of crew
- Lost time by supervision
- Cost of breaking in new man
- Damage to tools and equipment
- Time damaged equipment is out of service
- Spoiled work
- Loss of production for remainder of day
- Spoilage: fire, water, chemical, explosives, etc.
- Failure to fill orders
- Overhead cost (while work was disrupted)
- Miscellaneous - There are at least 100 other items of cost that appear with every accident

20% DIRECT COSTS (Insured)

- Medical expenses
- Compensation payments

Manufacturers' and suppliers' costs have been estimated on the basis of current retail prices and may vary depending on outside factors affecting a particular operation's actual production cost.

What does a work accident really cost?

How much does a work accident really cost in terms of production? Manufacturers' and suppliers' costs in the following examples have been estimated on the basis of current retail prices and may vary somewhat from the figures used, depending on outside factors affecting a particular operation's actual production cost. In this representative sample of manufacturers and suppliers of typical goods and services, here is the production needed to offset a \$500 work accident loss:

- A builder must construct 670 square feet of warehouse space
- A publisher must sell 61,832 newspapers
- A baker must bake 136,888 loaves of bread
- A mail order house must fill 2,500 five-dollar orders
- A restaurant must serve 4,356 three-dollar lunches
- A paint manufacturer must produce 3,840 gallons of paint
- A department store must sell 18,549 pairs of boys' socks



- A garment manufacturer must sell 1,036 \$15 shirts
- An electronics factory must build 46 color TV sets
- A supermarket must ring up 2,300 sales of \$25 each
- A telephone company must handle 27,111 local pay-phone calls
- An auto manufacturer must make 31/4 of a popular low-priced sedan
- A soap manufacturer must produce 83,175 bars of soap
- An appliance factory must make 1,225 electric irons
- A meat packer must process 76,670 pounds of hamburger
- A fabricator must produce 83,795 burlap feed sacks

The loss prevention information and advice presented in this brochure are intended only to advise our insureds and their managers of a variety of methods and strategies based on generally accepted safe practices, for controlling potentially loss producing situations commonly occurring in business premises and/or operations. They are not intended to warrant that all potential hazards or conditions have been evaluated or can be controlled. They are not intended as an offer to write insurance coverage for such conditions or exposures, or to simply that Great American Insurance Company will write such coverage. The liability of Great American Insurance Company is limited to the specific terms, limits and conditions of the insurance policies issued.
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