

MADA Certified Safety Program

Purpose

The purpose of the Revised MADA Certified Safety Program (CSP) is twofold: 1) to recognize members who develop effective safety programs within their facilities, and 2) to provide members of the MADA Self Insured Workers' Compensation Trust incentive to recognize the importance of workplace safety controls and to commit to the reduction of workplace injuries and to the safety and health of their employees.

MADA strongly believes in the benefits of effective safety controls in the dealership. An effective safety program *will* reduce employee accidents and injuries. MADA is so convinced of the benefits of good safety controls that any dealer member who completes the requirements of this program and maintains them in good faith and commitment *will receive a reduction in their worker's compensation premiums*.

Overview of the Program

The requirements of the program are broken down into eight areas of dealership operation that affect the safety of employees and the control of workplace accidents and injuries. The program also includes a tiered incentive based upon reduction of dealership loss experience.

The eight areas of operation are:

- 1) Management Commitment to the Reduction of Workplace Injuries
- 2) Communication of Management's Commitment
- 3) Management Control
- 4) Policies and Guidelines
- 5) Identification and Control of Hazards in the Dealership
- 6) Hiring the Right Employee(s)
- 7) Employee Training and Awareness
- 8) Proper Handling of Workplace Injuries

Assistance in Implementing This Program

Assistance in implementing the requirements of this program is available to you. Forms and information that you need to implement the requirements of this program can be found in the MADA Loss Control Manual.

If you have questions or need assistance or information to implement this program, contact MADA at (573)761-1001 and ask to speak to Marlin Parrott, MADA Risk Control Specialist at extension 165.

How to Implement the Program Within your Dealership

Enrollment. To implement the program in your facility, simply complete all of the requirements and make the necessary changes. You will find a detailed list of the requirements included with this information.

After you complete the requirements, fill out the enclosed checklist and return it to MADA by **March 31, 2017**. Your dealership will be entered into the program and a certificate will be issued to you to post in your dealership. After you are entered into the program, a visit will be scheduled to your facility to verify the program requirements.

You may enroll in the program at any time throughout the year. However, if your enrollment checklist is received after March 31, 2017, you will receive your certificate and the name of your dealership will be added to the 2017 member roster, but you will not be eligible for a safety credit applied to your renewal until January 1, 2019.

Safety Credit. 2017 program participants that are members of the program prior to March 31, 2017 are eligible for a safety credit applied to their 2018 annual modified premium at renewal.

Annual renewal. **You must complete the annual renewal commitment form and submit it to MADA.** Upon receipt of the renewal commitment, your dealership will be continued in the program and will remain eligible for the safety credit. Proof of continuing dealership commitment to the Certified Safety Program is subject to confirmation during regularly provided MADA Loss Control visits.

Note: Should your dealership fail to maintain the requirements and the intent of this safety program in good faith, your dealership will be dropped from this program and you will lose your safety credit. If your dealership is dropped from the program, you may re-apply for participation once all requirements of the program have been re-established.

Requirements of the Program.

In order for your dealership to be certified and to become eligible for the safety credit, each of the following requirements must be met and maintained.

1) Management Commitment

In order for any safety program to be successful, management must be willing to lend *complete* support to and promote the importance of the safety program. Also, management must believe that accidents and injuries can be prevented and must be willing to lead by example.

This is the most important requirement of this program. This one requirement could very easily guarantee the success or failure of your safety program.

2) Communication of Management Commitment to Safety

Communication of management's commitment to safety is crucial.

A) Develop and Post a Dealership Safety Position Statement. A safety position statement communicates what your employees can expect from you regarding their safety in the workplace. It is important to establish, in writing, the dealership's position regarding the establishment of a safe workplace.

B) Develop and Post a Dealership Safety Policy. A formal policy must be developed and posted in plain sight of all employees stating the dealership's commitment to providing a safe and healthful workplace for employees.

Management must also enforce the dealership safety policy.

Note: A sample Safety Position Statement and Dealership Safety Policy can be found in the MADA Loss Control Manual in Appendix B.

3) Management Control

A) Appoint a Dealership Safety Coordinator. A dealership Safety Coordinator must be appointed to be responsible and accountable for the dealership safety efforts. He/she should be the centerpoint of the dealership safety efforts and should be the catalyst to ensure that the program is maintained.

B) Dealership Safety Coordinator Responsibility. With the cooperation of the line supervisor and department manager, and with the complete support of the dealer principal, the Safety Coordinator must have the responsibility to promote safety by: 1) coordinating workplace inspections and correcting unsafe conditions; 2) ensuring adherence to dealership safety rules, policies and guidelines; 3) addressing actions adversely affecting employee safety.

4) Policies and Guidelines

- A) Safety Rules.** Safety rules, guidelines and policies must be developed and disseminated among the employees. Safety rules serve to inform employees what is expected of them.

Note: Sample dealership safety rules can be found in the MADA Loss Control Manual in Appendix E.

- B) Injury Reporting Policy.** An injury reporting policy must be developed and posted requiring all employees to report injuries to their supervisor immediately.

- C) Pre-Selection of Medical Provider.** A medical provider (physician or clinic) must be appointed to handle workplace injuries. Selection of a provider must be made out of the MADA PPO Network if possible. Also, you need to inform your employees in writing that a provider has been selected and that any treatment provided by an unauthorized provider must be paid for by the employee.

Contact your adjuster for assistance in selecting a provider.

- D) Accountability.** Employees must be held continuously accountable for conforming to dealership safety policies, guidelines and rules. Unless employees are held accountable, and unless safety rules, policies and guidelines are enforced, they are meaningless.

Regular employee performance reviews are also excellent opportunities to hold employees accountable, highlighting the employee's responsibility for adherence to established safe work practices.

- E) Drug and Alcohol Policy.** The dealership must implement a policy strictly prohibiting the use of alcohol or illegal drugs in the workplace. Further, the policy must also prohibit employees from coming to work under the influence of alcohol or illegal drugs.

The policy should also include provisions for enforcement, should any employee break the policy.

Note: A sample Drug and Alcohol Policy can be found in the MADA Loss Control Manual in Appendix J.

- F) Establishment of Drug-Free Workplace via Testing.** The dealership must establish a workplace policy on drugs and alcohol. This policy should include the testing of all applicants prior to hire and must include the testing of all employees after an on-the-job injury with medical treatment sought the same day as the injury (except where prohibited by labor agreement).

Note: MADA will reimburse 50% of the cost of post-accident drug testing.

5) Identification and Control of Hazards in the Dealership

- A) Monthly Self-Inspections.** Documented monthly safety inspections of the dealership must be performed. Regular inspection and correction of unsafe conditions are critical to the continued safety of the workplace. Inspections provide a mechanism to quickly correct unsafe conditions before an accident occurs.

Use the MADA Self Inspection Journal to aid in monthly safety inspections.

- B) Compliance With Recommendations.** All unsafe conditions found during MADA Loss Control inspections must be corrected within the time period allotted.

- C) Information from Employees.** Dealership employees are one of the best sources for information on unsafe conditions and unsafe employees. As such, the dealership must be willing to listen to employees, and to correct unsafe acts or conditions brought to management's attention by employees in a timely manner.

This is critical in demonstrating management's commitment to safety to employees.

6) Hiring the Right Employee(s)

- A) Background Checks on Applicants.** Background checks must be completed on employee applicants. At the least, motor vehicle record, job history and reference checks should be done. It is also suggested that criminal history checks be performed.
- B) Pre-Hire Drug Testing of Applicants.** Dealerships are encouraged to submit all employee applicants to a drug test prior to hire.

7) Employee Training and Awareness

- A) Monthly Safety Meetings.** The dealership must hold monthly safety meetings. These meetings must be used to not only communicate management's commitment to safety, but also to discuss pertinent issues that affect employee safety (such as: 1) training on job specific hazards, 2) the safe use of equipment, tools and machinery, 3) use of protective equipment and safety devices and 4) any other information necessary to equip employees to work safely).

Note: Refer to Appendix C of the MADA Loss Control Manual for meeting subject material.

- B) New Employee Orientation/Job Training.** Employees must undergo new employee orientation prior to job assignment or job re-assignment. Orientation must include at least the following:
- Job-specific training on workplace hazards.
 - Dealership policies, procedures, rules and guidelines.
 - Workplace injuries including reporting.
 - Personal Protective Equipment selection and use.

MADA produced and distributed a New Employee Video to all members of the Self Insured Worker's Compensation Trust. It is a requirement of the CSP that new employees view this video and complete the test that accompanies the video prior to job assignment.

8) Proper Handling of Workplace Injuries

- A) Appointment of Claims Coordinator.** A claims coordinator must be selected. This person is responsible for completing the first report of injury and filing with MADA; authorizes the initial medical treatment of injured employee; maintains contact with MADA adjuster; and ensures that all bills, medical reports and other documentation are submitted to MADA in a timely manner.
- B) Claim Reporting.** All claims must be submitted electronically to MADA within two (2) business days following the date of injury via the internet (www.mada.com).
- C) Use of Pre-Selected Medical Provider.** The dealership must ensure that employees injured on the job are treated initially by the dealership's pre-selected medical provider. All further medical authorizations beyond the initial authorization should be directed to MADA for approval. Exceptions to this are life-threatening emergencies and other specific times as directed by your MADA claims adjuster.
- D) Post-Accident Drug Testing.** The dealership must implement post-accident drug testing. All injured employees treated by a medical provider must be required to submit to a drug test on the DAY OF THE INJURY (except where prohibited by labor agreement). Results of the drug test must be forwarded to MADA.

Note: MADA will reimburse 50% of the cost of post-accident drug testing.

- E) Use of Modified Duty.** The dealership must commit to MADA to accommodate modified duty for injured employees. We understand that it may not be possible in all instances to use modified duty. However, every effort must be made to return injured employees to temporary modified work duty within treating physician's medical restrictions.

Note: Refer to Appendix I of the MADA Loss Control Manual for a copy of the MADA Modified Duty Program.

- F) Documented Accident Investigation.** The dealership must investigate all accidents and injuries that occur. The investigation must be documented and results of the investigation must be provided to MADA and a copy should be kept in permanent dealership files. Investigation results should be used to review the effectiveness of the dealership safety program and to identify and correct areas in which the safety program is deficient.

Note: Refer to Appendix H of the MADA Loss Control Manual for recommended accident investigation forms.

9) Tiered Incentive Based Upon Loss Experience

Based upon individual member loss experience, participating dealerships are eligible for a safety credit toward their workers' compensation premium.

At June 30th of each year, each member's loss history is reviewed for the proceeding accident year to determine that member's eligibility for a safety credit. Based upon the member's Loss Ratio (see below for definition), the following credits apply to the next year's renewal:

- Dealership Loss Ratio of **50%** or less = **5% Safety Credit**
- Dealership Loss Ratio of between **51%** and **80%** = **3% Safety Credit**
- Dealership Loss Ratio of **81%** or greater = **2% Safety Credit**

NEW PROGRAM PARTICIPANTS

Each new CSP member enrolled by March 31, 2017 will qualify for a 2% safety credit toward the 2018 renewal upon verification of compliance with program requirements.

RENEWING PROGRAM PARTICIPANTS

At June 30, 2017, loss ratios will be reviewed for the 1-1-2016 - 12-31-2016 accident year. Based on the loss ratio for that year, the scale above would apply to determine the safety credit applied toward the 2018 renewal.

$$\text{Loss Ratio} = \frac{\text{Incurred Losses (Paid + Reserved)}}{\text{Dealership's Annual Audited Premium}}$$

MADA Certified Safety Program Enrollment Checklist

When all of the requirements of the MADA Certified Safety Program have been met, complete this enrollment checklist and forward it to us at the address below.

Your dealership will be enrolled in the program and will receive a certificate recognizing your participation in the program. A visit will be scheduled for your dealership to verify the completion of all program requirements.

Requirements of the program:

- Done** 1 Management is committed to the safety of the dealership, and is willing to promote the program and lend necessary authority to ensure its success. Also, management agrees to lead by example.
- Done** 2a A Dealership Safety Position Statement has been developed and posted.
- Done** 2b A Dealership Safety Policy has been developed and posted.
- Done** 3a A Dealership Safety Coordinator has been appointed.
 Name _____ Position _____
 Phone number including extension _____
- Done** 3b The Dealership Safety Coordinator has been granted sufficient authority to enforce safety rules, policies and procedures with the assistance of the department manager and dealer principal to ensure workplace safety.
- Done** 4a Safety rules have been established for the dealership.
- Done** 4b An injury reporting policy has been developed and posted requiring all employees to report injuries immediately to their supervisor, *regardless* of how minor the employee thinks his or her injury is.
- Done** 4c A medical provider has been selected for the dealership. All employees have been made aware of the provider and have been notified that all medical treatments for workplace injuries must be authorized by the dealership. If it was possible, our provider was selected from the MADA Provider PPO network.
 Pre-Selected Provider: _____
- Done** 4d Employees will be held accountable for safety, including following dealership safety rules, policies and procedures.
- Done** 4e A drug and alcohol policy has been implemented and posted.
- Done** 4f A drug-free workplace has been established. Post accident drug testing will be completed on all incidents (pre-hire encouraged).
- Done** 5a Self-inspections of the dealership will be performed monthly.
- Done** 5c The dealership management will listen to employees regarding matters of safety. Any suggestions or notifications about unsafe acts or conditions will be taken seriously and will be acted upon quickly.
- Done** 6a/b Background checks will be performed on job applicants. Criminal history checks and pre-hire drug testing are encouraged, but optional.
- Done** 7a Employee safety meetings will be held monthly.
- Done** 7b All employees will be given safety orientation prior to beginning work or when job duties require a change in operation of machinery, use of chemicals, safety devices, etc. It will be the responsibility of our dealership safety coordinator to ensure that employee safety orientation and training is performed. **This orientation includes the use of the MADA New Employee Video & on-line testing.**
- Done** 8a A claims coordinator has been appointed for the dealership.
 Name _____ Position _____
 Phone number including extension _____

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MADA Certified Safety Program – 2017 Enrollment
Page 2

- Done** 8b All Workers' Compensation injuries and supporting documentation will be submitted electronically to MADA within two (2) business days following the date of the injury via MADA's website (www.mada.com).

- Done** 8c A pre-selected medical provider has been selected by the dealership to be used for treating injured employees. This dealership will make every reasonable effort to ensure that employees injured on the job are treated by the pre-selected medical provider.

- Done** 8d All employees that are treated by a physician will be subject to drug testing the DAY OF THE INJURY when medical treatment is sought (except where prohibited by labor agreement).

- Done** 8e This dealership will use modified duty whenever possible, under the direction of our MADA Claims Adjuster.

- Done** 8f All accidents that occur in the facility will be investigated and documented using the accident investigation forms in the MADA Loss Control Manual (or equivalent). Accident investigation results will be submitted to MADA's claims department and will be used to correct unsafe conditions and to strengthen our dealership's safety efforts.

Mail completed enrollment checklist by **March 31, 2017** to:

MADA Workers' Compensation Certified Safety Program
P.O. Box 1279
Jefferson City, Missouri 65102

I attest that all requirements of this program have been implemented and will be maintained. Further, for consideration of a safety credit applied to my workers' compensation premium, I agree to abide by the terms of this program and commit my full cooperation and support in good faith to the purpose and intent of this program.

Dealership _____

Address _____

Dealer Principal

Date

Print Name

For MADA Use Only:

Date received

Member Number