

Proceedings of the 1st Annual World Conference
of the Society for Industrial and Systems Engineering,
Washington, D.C, USA
September 16-18, 2012

The Effectiveness of the Safety and Health Achievement Recognition Program (SHARP) in Reducing the Frequency and Cost of Workers' Compensation Claims

Ibraheem Tarawneh, Donald Bentley, Michael Lampl, and David Robins

Ohio Bureau of Workers' Compensation Division of Safety and Hygiene

Corresponding author's Email: Abe.Tarawneh@bwc.state.oh.us

Abstract: In 2005, the Ohio OSHA Onsite program became part of the Division of Safety and Hygiene; the loss prevention arm of the Ohio Bureau of Workers Compensation (OBWC). This provided a great opportunity for studying the workers' compensation claim experience for employers who achieved OSHA's Safety and Health Achievement Recognition (SHARP) between the years 2004 and 2010. The study included a review of the claim experience including frequency, medical and indemnity costs along with reserves (30-month incurred cost) for sixteen Ohio companies that achieved SHARP recognition between the years 2004 and 2010. The data relative to frequency, cost, and lost time was assembled for each of the 16 companies over a period of six years to account for claim experience before, while working toward, and after achieving SHARP recognition. The results showed considerable decrease in frequency, lost time and cost of claims from before to after SHARP recognition. After achieving SHARP, the sixteen companies experienced close to 40% reduction in the frequency of claims and close to 84% reduction the total 30-month incurred cost of claims. The preliminary results from this study show a significant value for achieving SHARP recognition for small employers in high hazard industries and its effect on reducing the frequency and cost of WC claims.

Keywords: Safety management system, SHARP, Safety and Health Achievement Recognition Program, SHMS