3 **Cost of wages paid for time lost by the injured worker, other than workmen's compensation payments** Payments made under workmen's compensation laws for time lost after the waiting period are not included in this element of cost

4 **Extra cost of overtime work necessitated by the accident.** The charge against an accident for overtime work necessitated by the accident is the difference between normal wages and overtime wages for the time needed to make up lost production, and the cost of extra supervision, heat, light, cleaning, and other extra services

5 **Cost of wages paid supervisors for time required for activities necessitated by the accident** The most satisfactory way of estimating this cost is to charge the wages paid to the foreman for the time spent away from normal activities as a result of the accident

6 **Wage cost caused by decreased output of injured worker after return to work.** If the injured worker's previous wage payments are continued despite a 40 per cent reduction in his output, the accident should be charged with 40 per cent of his wages during the period of such low output

7 **Cost of learning period of new worker** If a replacement worker produces only half as much in his first two weeks as the injured worker would have produced for the same pay, then half of the new worker's wages for the two weeks' period should be considered part of the cost of the accident that made it necessary to hire him

A wage cost for time spent by supervisers or others in training the new worker also should be attributed to the accident

8 **Uninsured medical cost borne by the company** This cost is usually that of medical services provided at the plant dispensary There is no great difficulty in estimating an average cost per visit for this medical attention

The question may be raised, however, whether this expense may properly be considered a variable cost That is, would a reduction in accidents result in lower expenses for operating the dispensary?

9 **Cost of time spent by higher supervision and clerical workers on investigations or in the processing of compensation application forms** Time spent by supervision (other than the foreman or supervisor covered in Item 5) and by clerical employees in investigating an accident or settling claims arising from it is chargeable to the accident

10 **Miscellaneous usual costs** This category includes the less typical costs, the validity of which must be clearly shown by the investigator on individual accident reports Among such possible costs are public liability claims, cost of renting equipment, loss of profit on contracts canceled or orders lost if the accident causes a net long-run reduction in total sales, loss of bonuses by the company, cost of hiring new employees if the additional hiring expense is significant, cost of *excess* spoilage (above normal) by new employees, and demurrage These cost factors and any others not suggested above would need to be well substantiated

Miscellaneous costs were found in less than 2 per cent of the cases in a group of several hundred disabling injury and medical treatment cases which were reviewed in connection with this study

Making a pilot study

The purpose of the pilot study is to develop for different classes of accidents average uninsured costs which can be applied to future accident totals Therefore, it is desirable not to include the costs of deaths and permanent total disabilities Such accidents occur so seldom that the costs should be calculated individually and not estimated on the basis of averages

Some flexibility in the grouping of classes of cases is desirable If no distinction is made in the records between medical-treatment cases requiring a physician's attention and those not requiring a physician's attention, the pilot study may combine Classes 2 and 3 (See "Method for Estimating" earlier in this chapter)

The following discussion assumes that the