ployees 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 percent 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 study of costs will be made with the injuries grouped in the recommended classes The discussion covers Classes 1, 2, and 4 A different method must be applied to Class 3 injuries, and it will be discussed later

Classes 1, 2, and 4. To analyze uninsured costs for accidents in Classes 1, 2, and 4, the supervisor in charge of the department where an accident occurs should secure for each accident the information indicated on the Department Supervisor's Accident Cost Report form (Fig 7–3) These data can be obtained during the supervisor's regular investigation of the accident As soon as each report form is completed, it should be sent to the safety department

In the safety department, the information from the department supervisor's report will be transferred to the Investigator's Cost Data Sheet (Fig 7–4) The safety department then assumes responsibility for securing the supplementary information from the accounting department, industrial relations department, and other departments where records on lost time and other necessary information are kept

As an alternative, a member of the safety department could secure all information needed on the data sheet In this case, the supervisor's report form is not used, and the supervisor is required only to report each accident in Classes 1, 2, or 4 to the safety department as soon as it occurs

Before he computes averages, the investigator should be certain that the pilot study has covered a sufficient number of cases of Classes 1, 2, and 4 to be representative This number will rarely be less than 20 cases However, more cases should be studied if the costs of the cases in a particular class vary widely Information should be secured on enough cases of each class so that the average cost per case in each class is fully representative of past experience and therefore, by inference, will be applicable to future experience

Once a sufficient number of cases has been accumulated, the investigation of individual cases can be discontinued For the data thus collected, separate averages should be calculated for the cases of each class It is recognized that these costs are averages of the uninsured costs only

Class 3 injuries. These injuries are the common first aid cases in which no significant property damage results from the accident They are the most difficult to analyze from the standpoint of cost, because such loss of time is likely to occur repeatedly and for only short periods, and the injuries may occur so