

TESTIMONY OF GEORGE W. JENSON III BEFORE THE SENATE
COMMITTEE ON HEALTH, EDUCATION, LABOR AND PENSIONS

Good Morning, Senator Kennedy and Senator Enzi. Thank you for inviting me here this morning to talk about the very important issue of worker safety. My name is George W. Jenson III. I am the President of Jenson Fire Protection, Inc., based in Laurel, Maryland. My company works in the homebuilding industry as a full service provider of fire protection systems. The bulk of our work involves the installation of residential sprinkler systems. We serve a number of national-level builders such as NVR, Ryan Homes, M/I Homes, and Toll Brothers. In addition we provide our services to custom homebuilders, tract house builders, and condominium builders. I have a workforce of approximately ten employees that travel and work on construction projects throughout the State of Maryland.

These are not easy times for any small business owner in the homebuilding industry. We are caught between rising home inventories and a decreasing number of qualified purchasers. Our answer to this situation, however, is not to cut corners, or work cheaper. Our answer is to work smarter. For example, in spite of the fact that this is not the best market, I continue to provide my

employees with the full range of benefits including largely company-paid health insurance. I continue this practice even during tough times not only because it is the right thing to do – it is also the smart business thing to do. Like every other good businessman, I know that the most valuable asset of my company is the people that work there. I want to recruit and retain the best people I can, because they directly affect my bottom line.

I have the same view when it comes to the safety of my employees on the job. I want to make sure they are working and traveling in safe conditions not only because it's the right thing to do, but because it is also the smart business thing to do.

Concern over a possible inspection by OSHA or Maryland State OSHA, or concern over a fine that might be imposed as a result of an inspection is not what motivates me to make working conditions as safe as I possibly can. Over my years in the business I have rarely seen an inspector on the jobsite, I have never been cited, and I honestly don't know how much an employer can be fined by the government for a safety violation. However, I devote effort and resources every day to ensuring that my workers are safe. I spend tens of thousands of dollars on safety equipment, make sure my people are

properly trained in safety practices, monitor our procedures and work practices, and do everything else I can to make sure our employees work safe. As I said, I do this first and foremost because I am genuinely concerned about my employees. Fortunately I have never had an employee who has been seriously injured or killed on the job. Frankly, I think that is something that I would never recover from if it happened. To me, anyway, there couldn't be anything much worse than feeling you were responsible for something tragic like that.

Apart from my personal feelings, however, I place this emphasis on worker safety for very sound business reasons as well. From general liability, to workers' compensation, my company's insurance premiums are a huge cost of doing business. I cannot operate without insurance coverage, but it is a constant struggle to pay the cost of such insurance. A serious accident, or an on-the-job injury carries the real potential of raising my rates to the point that I could no longer remain in business. From a pure dollars and cents perspective, maintaining a safe workplace does not have much to do with avoiding a government fine. Fines don't put you out of business, but insurance costs do.

As a small businessman, one thing that has helped me a great deal in maintaining a safer workplace is not the government, it has been my own insurance carrier. My carrier doesn't want the huge cost of claims, or the exposure to increased liability any more than I do. Consequently, they are proactive about preventing accidents. At least once a year, my carrier actually comes and audits my work practices, procedures and equipment. They make practical suggestions about how to work safer, eliminate risk, and use training and equipment to make our employees safer. As I mentioned, I've rarely seen any government safety people on the jobsite, and I've certainly never seen them involved in this kind of preventative work.

There may be some employers out there that don't care about safety, but I haven't seen them. The truth is if they don't care, they're probably not going to be in business long enough for me to know them. Most all of the employers, large and small, that I deal with day to day are no different than I am. They want a safe workplace because it is right for their employees, and because it makes bottom line sense for their business. We are on the same page with government on this score.

Many of us are struggling these days to keep our heads above water and to keep our employees working. If the government wants to help, it should do what our insurance companies do – help us to work more safely – not just look to fine us when something goes wrong. Thank you.