



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

News Release

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**NEW STATE LABOR DEPARTMENT REPORT INDICATES THAT
HAWAII WAS SUCCESSFUL IN SIGNIFICANTLY REDUCING
WORKPLACE INJURIES IN 2004**

**Emphasis in Workplace Safety Resulted in Drop in Workers' Compensation
Claims.**

HONOLULU- The Department of Labor and Industrial Relations (DLIR) released preliminary data showing that 2,347 fewer workers' compensation claims were filed in 2004, a 8.2 percent drop from the previous year. This report indicates an apparent trend of injuries decreasing in the workplace. In 2003, there were 1,089 fewer workers' compensation claims in Hawaii, a 3.7 percent decline from 2002.

"The continuing decrease of workplace injuries is the result of Hawaii's employers and employees' strong commitment to safety in the workplace," said Nelson Befitel, DLIR Director. "During the past several years, we have seen more and more of Hawaii's companies and labor organizations investing their valuable resources, time and money to build and maintain exemplary safety programs that ensure their employees enjoy a safe and healthy workplace. It is nice to see the positive results of their hard work."

The DLIR is responsible for administering and enforcing Hawaii's workplace safety and health laws, while meeting the expectations of the federal Occupational Safety and Health Administration (OSHA). In the past, the Hawaii Occupational Safety and Health Division (HIOSH) was regularly criticized by federal officials for its failure to meet OSHA's expectations and by the business community for being too heavy handed in issuing fines.

In 2003, the Lingle-Aiona Administration changed HIOSH's policies to be more-business friendly. It emphasized working collaboratively with businesses in a consultative rather than in a punitive manner. HIOSH also changed its policy to allow its inspectors to issue warnings rather than citations and fines for minor infractions.

Due to these initiatives, more companies are now willing to work with HIOSH to improve workplace safety. Prior to 2003, only one business was involved in HIOSH's Volunteer Protection Program (VPP) and there were no companies enrolled in the Safety and Health Achievement Recognition Program (SHARP). VPP and SHARP are HIOSH's premier safety and health achievement recognition programs that are designed to recognize large and small companies for creating an exemplary safety and health programs and effectively implementing it. To date, there are now 3 large companies in VPP, 24 SHARP companies and nearly 45 companies currently working toward one of the two programs.

Last month, several of Hawaii's leading contractors and labor organizations partnered with HIOSH to launch a public awareness campaign reminding construction workers to wear proper fall protection or to "tie-off."

In 2003, there was a 3.7 percent (1,089) reduction in claims filed, which contributed to the 18 percent reduction in Lost Cost filed by National Council on Compensation Insurance (NCCI) earlier

this year for premiums in 2006. "Loss costs" are a significant component of premiums and represent the amounts paid for claims by insurers. Other components that make up the premium include production and general expenses, contingencies, profit, taxes, licenses and fees.

While the reduction of injuries is good news, the workers' compensation system is still in need of overall reform. The cost per case continues to rise as well as indemnity costs (wage replacement and disfigurement/disability awards). The federal government continues to show that Hawaii has significantly more injured workers staying off the job (52.8 percent of claims) than the national average (30.6 percent of claims). This figure indicates that there is a disproportionate amount of injured workers who are being kept out of work unnecessarily.

"Hawaii has improved the safety of our workplaces, but we still need to improve our workers' compensation system," said Befitel. "We must reform our workers' compensation system to ensure that our injured workers are treated in the most effective and efficient manner so that they and their family are not unnecessarily impacted by their work injury. There is no reason for Hawaii to have significantly more injured workers off the job than the national average."

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HIGHLIGHTS 2004

STATE OF HAWAII

REPORTED CASES: 26,321
PROCESSED CASES WITH COST: 41,253
TOTAL COST: \$271,290,021
COST PER CASE: \$6,576
MEDICAL COST: \$106,766,183
DAYS LOST: 1,186,798
REPORTED FATALITIES: 33



Kauai County

Reported Cases: 1,522
Processed Cases with Cost: 2,444
Total Cost: \$13,529,009
Cost Per Case: \$5,536
Medical Cost: \$5,548,311
Days Lost: 63,865
Reported Fatalities: 1



Maui County

Reported Cases: 4,088
Processed Cases with Cost: 6,460
Total Cost: \$40,638,650
Cost Per Case: \$6,291
Medical Cost: \$17,264,777
Days Lost: 153,294
Reported Fatalities: 5



Hawaii County

Reported Cases: 3,413
Processed Cases with Cost: 5,872
Total Cost: \$40,656,410
Cost Per Case: \$6,924
Medical Cost: \$16,470,936
Days Lost: 193,353
Reported Fatalities: 6

Oahu

Reported Cases: 17,268
Processed Cases with Cost: 26,477
Total Cost: \$176,465,952
Cost Per Case: \$6,665
Medical Cost: \$67,482,160
Days Lost: 776,286
Reported Fatalities: 21

