

Forum

A monthly publication reporting on issues affecting the insurance industry in Ohio

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Representing Ohio's property/casualty insurance industry

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Junk on the country's roadways causes at least 25,000 wrecks and more than 80 deaths a year, according to a study by the AAA Foundation for Traffic Safety.

USA Today reports that though the number of accidents caused by road litter pales in comparison with other accidents — most states report that debris accounts for less than 1 percent of all traffic mishaps. AAA Foundation officials still say the problem is a serious one.

The Federal Highway Administration reports that road debris, along with stalled cars, causes as much as 40 percent of traffic congestion in the USA. Accidents resulting from the debris average out to about 68 per day.

Of the 36 states that pick up highway debris on a daily or weekly basis, 87 percent reported tire treads among the five most common items. Other debris noted was garbage dropped by waste haulers, construction materials and mufflers and exhaust parts. □

Nearly a third of all Americans under the age of 65 went without health insurance sometime during 2002-2003, according to a study based on U.S. Census Bureau data — a figure nearly twice as big as previous Census Bureau estimates of the uninsured.

The study released by Families USA, a private nonprofit group, used the same data the government used to come up with its estimates. The Census Bureau said that 43.6 million U.S. residents had no health insurance during 2002. But the Families USA study found that when looking at a longer period of time, from 2002-2003, 81.8 million lacked health coverage.

The disparity in the results is due to the way the Census Bureau reports the number of uninsured; it only counts those who lacked coverage for the entire year. The Families USA study counted those who lacked coverage for even a portion of the year. □

A study by the Home Safety Council reports that employers are spending an average of \$280 per employee per year for injuries suffered at home. This equates to \$38 billion annually.

Factors of the severe economic impact of home injuries on employers include health insurance, life insurance, sick leave and disability, as well as the cost of hiring and training new employees. Further, researchers found that an injury that results in a hospital stay costs nearly \$20,000 and a fatal injury costs an employer nearly \$30,000.

Road Debris

Causes 25,000 wrecks every year

Health Insurance

82 million uninsured during 2002-2003

Home Injuries

Cost U.S. employers \$38 billion annually

Home Injuries

Continued

Specific employer costs associated with this public health issue include:

- Employer health care (medical) spending cost \$15.8 billion in a single year.
- \$11.8 billion was spent on sick leave and disability insurance.
- \$9.6 billion was spent on costs related to disruption and efforts for training/retraining or hiring new employees. □

Drunken Drivers

Saab working to lockout the impaired driver

Swedish car maker Saab is working to build a breathalyzer into its car keys which would shut down the engine when a driver has drunk too much alcohol. The device, called the Alcokey, would prevent drunken drivers from taking to the road until they had sobered up.

Saab said it expects the Alcokey to appeal especially to companies who provide cars to their employees, as well as to parents whose children are of driving age.

The Alcokey would cost about \$300 and may eventually be adopted by GM-owned Saab's sister brands, which include Chevrolet, Cadillac and Buick.

Saab admits, however, that drunken drivers could circumvent the Alcokey by asking a sober friend to blow into the breathalyzer. Saab continues to work on ways to prevent drivers from outwitting the Alcokey. □

Insurance Claims

78 percent of insurers say cost reduction in claims is their most important goal

Seventy-eight percent of U.S. insurance companies identify cost reduction in claims-handling processes as their most important goal for 2004, according to a recent poll conducted by Insurance Services Office, Inc. (ISO). Key areas identified by the companies surveyed are reducing costs (42 percent), improving claims-handling efficiency (25 percent) and reducing fraud (10 percent).

When asked what one thing they would improve in their claims-handling staff, 58 percent singled out increased knowledge and staff training as the most important area for improvement and another 25 percent identified increasing staff efficiency.

“Reducing claims-handling costs by settling a claim fairly and equitable — and as quickly as possible — is in everyone’s interest,” said Lee Fogle, ISO vice president of Claims Services. “Our customers tell us empowering claims handlers with more information about similar claims and injuries is one of the most important areas for combating the rising costs of personal injury claims.” □



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