

Determining the costs

1. Use this worksheet to estimate direct and indirect costs for the injury/illness if corrective actions are not taken.
2. Briefly list which factors you considered in your estimate in each area.

Determine direct costs

- This does not include workers' compensation premium or the effect the mod rate.
- You can use "OSHA's Safety Pays Program" to calculate: www.osha.gov/safetypays/estimator
- You can also check your company's average cost with your workers' compensation carrier.

Total estimated direct costs	\$
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Determine indirect costs

Indirect cost to business	Total
Damage to equipment, machinery, materials, facility, etc.	\$
Production downtime (due to emergency action or damage). Assume that if any part of production fails, it all halts. Downtime _____ hours x cost per hour \$ _____	\$
Losses or costs from other sources (fire, explosion, chemical, emergency response, disposal, weather, etc.)	\$
Loss of product/service (spoilage, defects, damage, etc.)	\$
Demurrage (delays in shipment, filling orders)	\$
Additional OT # of employees _____ x avg. overtime wages \$ _____ x # of hours _____	\$
Supervisor lost time resulting from accident (inspections, accident investigation, meetings, admin, reports, etc.) Salary \$ _____ x # of hours _____	\$
Other managers' lost time resulting from accident (inspections, meetings, admin, reports, etc.) # of managers _____ x avg. salary \$ _____ x # of hours _____	\$

Employees assisting with accident (first aid, accident investigations, clean-up, repairs) # of employees _____ x avg. wage \$ _____ x # of hours _____	\$
Hiring and training replacement workers	\$
Wages of replacement workers # of employees _____ x avg. wage \$ _____ x # of hours _____	\$
Other non-productive time incurred by victim(s) (medical follow-up appointments, etc.) # of hours _____ x avg. wage \$ _____	\$
Potential Oregon OSHA penalties osha.oregon.gov/OSHArules/div1/div1.pdf#d0155	\$
Attorney fees	\$
Other:	\$
	\$
	\$
Total estimated indirect costs	\$

Total estimated accident costs (Total estimated direct costs + Total estimated indirect costs = Total estimated accident costs) \$ _____ + \$ _____ =	\$
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Return On Investment (ROI) (Total estimated accident costs ÷ Total investment x 100 = ROI percent) \$ _____ ÷ \$ _____ x 100 =	% (ROI)
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Payback period (Total investment ÷ Total estimated accident costs = Payback period) \$ _____ ÷ \$ _____ =	years <small>(x 12) = Months (x 52) = Weeks (x 365) = Days</small>
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Business volume required to cover cost (Total estimated accident costs ÷ Profit margin = Business volume) \$ _____ ÷ _____ % (Profit margin percentage) =	\$
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