



# True Costs of Accidents

## Accident Description

An Ironworker was directing the placement of a rebar bundle being unloaded from a flatbed in the yard. While backing up, the worker tripped in a small hole as the bundle was being lowered to the ground. The worker twisted his ankle and badly bruised his foot when the rebar was set down on top of his foot. The crane operator was able to lift the load quickly off his foot while a few other workers in the area came to assist him. The crane operator and 3 other workers stopped activity to help carry the injured worker to the foreman's truck for transport to the clinic. The injury required an initial visit to the clinic for x-rays and treatment and 2 follow-up visits prior to the worker being released to work full duty. He lost 2 days of work.

## Direct (insured) Accident Costs:

- Total cost for medical treatment was \$500
- No lost time-benefit was paid

## Indirect (hidden) Accident Costs:

Description	Hours	Cost
Injury occurred at 8:00 a.m. Worker did not return to work that day but was paid for the rest of his shift.	7 hours @ \$20/hr	\$140.00
Crane operator and 3 workers assisted and carried injured worker to the truck.	½ hour @ \$20/hr x 4 workers	\$40.00
Foreman drove worker to clinic, stayed with him during treatment, and drove back to the jobsite.	3 hours @ \$30/hr	\$90.00
10 other workers stopped activity during accident.	¼ hour @ \$20 per hr x 10 workers	\$50.00
Injured worker returned to work 2 days later but worked at about 60% efficiency for next 2 weeks.	.4 x 80 hours @ \$20/hr	\$640.00
Inexperienced ironworker replaced the injured worker at about 75% efficiency.	.25 x 16 hours @ \$20/hr	\$80.00
Safety Director came from another jobsite to complete accident investigation.	4 hours @ \$20/hr	\$80.00
Administration of the claim by support staff.	4 hours @ \$8.50/hr	\$34.00
<b>Total</b>	<b>58.5 hours</b>	<b>\$1,154</b>

- Total hours spent in relation to this accident was approximately 58 hours.
- Total Indirect (hidden) cost – \$1,154 – about 2 times the direct costs.
- Additional revenue to cover the hidden costs of this accident at profit margin of 3%:  
(Accident Cost) / (Profit Margin) = **\$ 55,133.33 of additional work to break even.**