

Your Direct Link to Better Risk Management Practices

Claim Review

Claim Review is based on actual professional liability claims but is not intended to parallel exact events and proceedings. Certain facts have been altered slightly to emphasize risk-related issues. The lessons offered in the Risk Management Considerations section are applicable to healthcare professionals in all specialties.

Analysis of General Liability Claims Closed 01/01/2001 through 12/31/2005

by Fran Roth, Manager, Healthcare Risk Services

The following information was obtained from a five-year analysis of Princeton Insurance general liability claims closed January 1, 2001 through December 31, 2005¹. Risk issues were grouped as having a percentage of claims (frequency) and a percentage of losses (severity) of five percent or higher. This grouping resulted in the following categories: slip/trip/fall, lost/damaged possession, equipment problem/malfunction, and other. The purpose of this analysis was to find opportunities where improvements could have a positive impact by reducing either severity and/or frequency of claims.

Slip/Trip/Fall

It was no surprise that this category was the highest in percentage of losses paid and second-highest in percentage of total claims. Slips, trips, and falls occur at all client locations for various reasons, as listed below.

Ice/Frozen Surface

Ice/frozen surface leads this category, accounting for **22% of the losses** and **15% of the slip/trip/fall claims**. Data shows these claims occur on all exterior walking surfaces, with most on sidewalks and in parking lots. As winter approaches, everyone should take a look at their ice and snow removal policies to insure ALL exterior walking surfaces are designated for de-icing and snow removal. It is important to remember that once the snow and ice are removed, you need to continue to monitor the walking surfaces throughout the day and into the evening, as water created from the daytime thaw results in iced surfaces when the temperatures drop at night. For more information on managing walkways during ice and snow storms, including a sample policy and a walkway surface inspection log,

Vice President of Healthcare Risk Services

Tom Snyder x852

Manager, Healthcare Risk Services

Phyllis DeCola x897

Manager, Risk Services

Francis Roth x868

Phone: 609.452.9404

www.RiskReviewOnline.com

We welcome your feedback, comments and suggestions. Please feel free to contact us if you have a question or to send us your ideas for improving this site.

please refer to the article that appeared in the February 2006 issue of Risk Review under safety and security.

Uneven Surfaces

Uneven surfaces

accounted for **17% of the losses** and **14% of the claims**. Sidewalks, walkways, and curbs are where the majority of these claims occur. These surfaces tend to become uneven during change of seasons (fall to winter and winter to spring) when temperature changes in the ground cause expansion and contraction of the walking surfaces. Another cause for surfaces to become uneven results from the roots of trees and shrubbery growing underneath walkways. All exterior walkways should be inspected at least twice a year, ideally after the spring thaw and in the fall before the ground freezes. If any areas are found to be uneven, they need to be improved to meet walking surface criteria outlined in the "Standard Practice for Safe Walking Surfaces" (F 1637-95) issued by the American Standard for Testing and Materials.

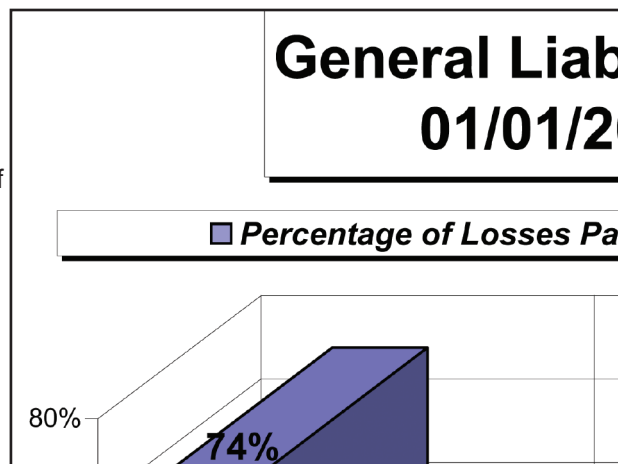
Wet Surfaces

Floors that had wet areas were responsible for most of the claims and losses paid in this category. Bathrooms accounted for the next highest area where wet surfaces resulted in slips, trips, and falls. Recognition, along with proper response, is paramount to preventing these types of claims. Essentially, once a wet surface is discovered, it should be guarded from use until the area can be made safe.

Other Slip/Trip/Fall Issues

There were a multitude of other issues that have resulted in slip, trip, and fall claims. In the interest of space, we'll just list a few of the more costly:

- Broken or damaged furniture/equipment
- Lack of railings on stairs/steps
- Obstructions or physical objects in the walkway
- Poor lighting
- Potholes and storm grates in the walking path



continued on page 2

Everyone should be conducting some type of routine safety inspections or hazard surveillance rounds both inside **and** outside their properties. Armed with the knowledge of these slip/trip/fall causes, you should be able to "look out" for these hazards and when observed, take corrective actions which will help prevent new claims.

Lost/Damaged Possession

These losses only relate to hospitals and while they are responsible for the highest percentage of claims submitted, they result in the lowest payout of losses having an average loss per claim under \$1000. Even though the cost per claim is low, you need to keep in mind that the frequency is high and there is certainly opportunity to improve experience in this area.

It is no surprise that the three most frequently, as well as most costly lost or damaged items are: dentures, hearing aids, and glasses. These three items alone accounted for **75% of the claims** and **78% of the losses in this category**. All of the losses reported occurred in either a hospital or a nursing home setting. For suggestions on how to improve your tracking and retention of patient valuables, please see the February issue of *Risk Review* under Safety and Security for guidance, along with a sample program for your use.

Equipment Problem/Malfunction

Even though this category only accounted for **8% of the claims** and **7% of the losses**, improvements would still result in a significant savings in claims paid. Most noteworthy in this category is the failure to provide proper maintenance of equipment representing the largest percent of claims paid.

One area to improve efforts would be to focus on increased maintenance of automatic doors, which accounted for 25% of the claims paid in this category. Although most of the claims for an automatic door malfunction occurred at hospitals, there was a small percentage of claims that also occurred at nursing home facilities and physician offices. Automatic doors (revolving, sliding, etc.) resulted in most of the payouts with an average cost per claim of \$16,000. In most instances, had the safety features of the door been maintained operational, the claim could have been avoided.

Another area to concentrate maintenance efforts is parking lot gates, which accounted for 54% of the equipment problem/malfunction claims. These claims mainly involved damage to vehicles, although there were instances where people were injured. Although the average cost per claim is low, the high frequency of claims in this category adds up. Increased preventative maintenance on parking lot gates to insure they work properly seems to be an easy fix to prevent additional claims.

Other (General Liability Claims)

This section includes all other categories not otherwise classified or having a percentage of claims and losses of less than 5%. Review of these cases found no significant trends for discussion in this article.

Summary

An analysis of general liability claims that closed January 1, 2001 through December 31, 2005 found three major categories responsible for 89% of the claims and 84% of the losses. Deeper review in each of these areas

identified several opportunities to improve performance. As outlined above, there are some very basic loss prevention principles that can serve to improve both the severity and the frequency of general liability claims.

¹ These claims exclude any case where the general liability cause was not the primary issue.❖

**Questions and/or
suggestions are welcome.
Call the Risk Management
Department at
1-866-RX4-RISK**