



2019

AMTRUST RETAIL RISK **REPORT**

www.amtrustfinancial.com/retail-risk

Executive Summary

AmTrust Financial's
review of

RETAIL

class codes reveals
average

claim costs and lost time

vary widely depending on

INJURY TYPE

and other factors.

RECENT TRENDS IN RETAIL CLAIMS

AmTrust Financial's review of retail class codes reveals average claims costs and lost time vary widely depending on injury type and other factors. The most common occupational risks retail workers face are from strains and falls.

- Lifting, pushing, pulling, reaching, repetitive motion, and using tools and machinery can all contribute to strain injuries. Many of these repetitive tasks happen in a warehouse or stock room, while placing inventory in the store or servicing customers.
- Common falls include from the ground level, on ice or snow, on stairs, or on wet surfaces.
- Motor vehicle accidents were also a top-ten injury group, resulting in one of the highest average payouts.

AMTRUST CLAIMS DATA SHOWS:

- When an injury involves lost time, on average a worker is out for 24 days.
- Strains are the most common injury payout group, but the average payout per injury is higher for slips and falls.
- Older, experienced workers were injured less frequently, but when they were, the injuries were likely to be more severe with a higher payout.
- Men are more likely to file injury claims and their claims result in higher payouts, likely due to a higher percentage of men performing riskier tasks.

OUR RETAIL RISK REPORT TAKES A DEEPER DIVE INTO:

- Common retail workers' injuries and lost time in the workplace
- Industry loss ratio trends
- Body parts most commonly injured in retail
- How to implement loss control best practices to help reduce risk in retail

Strains cause

26%

OF REPORTED CLAIMS

and

32%

OF REPORTED PAYOUTS



Age is correlated with payouts;
the higher the age, the higher the
average payout.

AGES 41 TO 60

HAD THE HIGHEST TOTAL
PAYOUT AND HIGHEST AVERAGE
DAYS OUT

STATISTICS SHOW THAT:

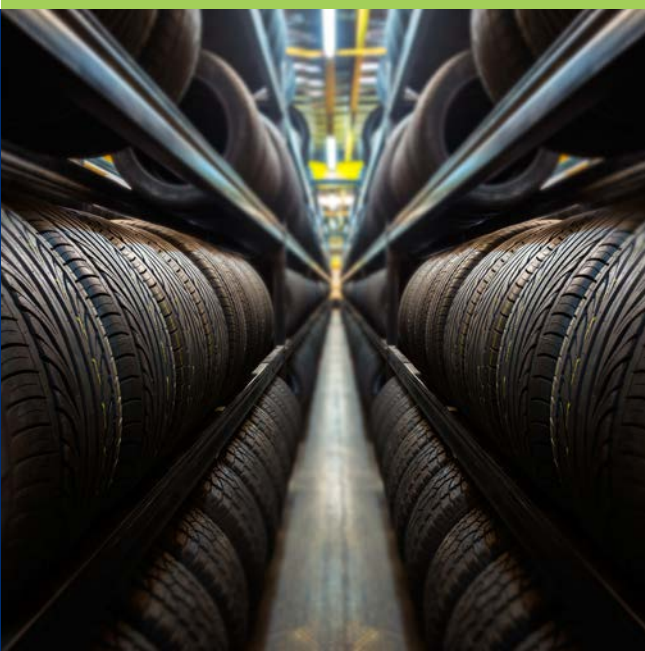
- Average retail injury with lost time results in 24 days out.
- While employees are most likely to be injured by strains, the payout is much higher for falls (by 29.8%) and motor vehicle accidents.
- The average payout for falls was \$14,176 (accounts for 17.56% of reported claims and 27.2% of payouts).
- The average payout for motor vehicle accidents was \$14,941, but only accounted for 2% of reported claims and 4% of payouts.

SAFETY & NEW HIRE PROGRAMS

“In retail, new and inexperienced employees are at greater risk of injury. A key step that four-wall retailers can take to control their workers’ comp cost is to pay close attention to how safety programs interface with new-hire programs. Incorporate a safe-work mindset into your overall program every step of the way.

A practical, real-world tip is to assign a qualified, experienced mentor to each new hire so they can be shown the right way to do things, the safest way to do them and, more importantly, so they have a person they can readily go to if they have questions or face a job or hazard they’re unsure about.”

Jeff Corder
VP Loss Control, AmTrust Financial



Top Injury Types

Lifting was the top reported injury type, accounting for 22% of reported claims and 23% of total payout for the top-ten injury types. This injury-type also had the highest total payout at \$22 million.

TOP-THREE INJURY TYPES WITH THE HIGHEST AVERAGE PAYOUT:

FALL FROM LADDER OR
SCAFFOLDING:

\$21,000
PAYOUT

REPETITIVE
MOTION:

\$14,000
PAYOUT

MOTOR VEHICLE
COLLISION:

\$13,900
PAYOUT

HAND AND FINGER INJURIES

Hand and finger injuries are common in retail industries, though they generally don't result in high payouts or lost time. Loading and unloading inventory, opening boxes, processing inventory and other repetitive motion tasks in retail can lead to:

- **CARPAL TUNNEL:**
Nerves in the wrist are compressed
- **TRIGGER FINGER:**
A finger gets stuck in one position due to inflammation caused from repetitive motion
- **LACERATIONS AND AMPUTATIONS:**
Retail stores that use machinery run the risk of cutting, or even amputating, hands and fingers. This includes meat, grocery and provision classes
- **SCISSOR SLIPS:**
Barbershops and hair salon employees also run a high risk of cutting their fingers and hands on scissors and other equipment



INJURIES RELATED TO
LIFTING ACCOUNTED FOR

23%

OF TOTAL PAYOUT FOR THE
TOP-10 INJURY TYPES.



Gender Breakdown: Men vs. Women

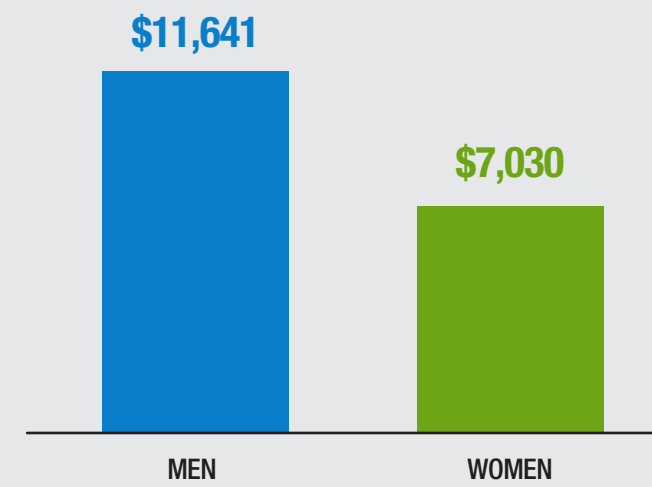
WHO REPORTS MORE INJURIES?

Retail workers lost an average of 24 days of work due to injuries. The data shows that men reported injuries more frequently than women. This data is consistent with other studies that show men are more likely to get injured at work, including data from the Bureau of Labor Statistics. The total amount of losses paid, as well as the average loss paid, is greater for men than for women.

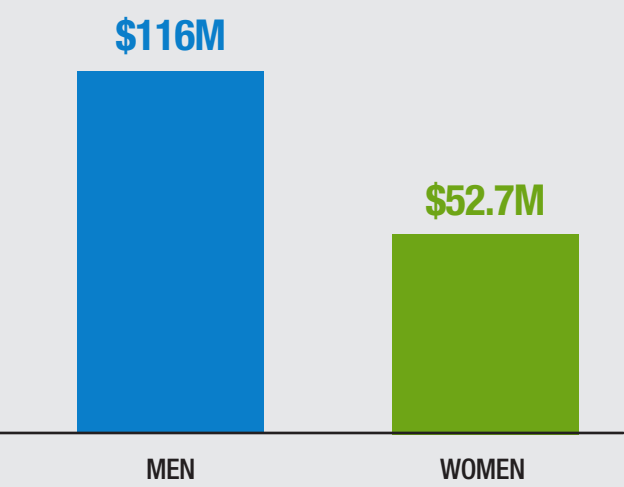
ARE MEN MORE LIKELY TO BE INJURED AT WORK THAN WOMEN?

AmTrust claims data showed that men reported more injuries, and their injuries resulted in more lost time and higher average payouts. Researchers point to different hazards presented in traditional gender-dominate roles and industries.

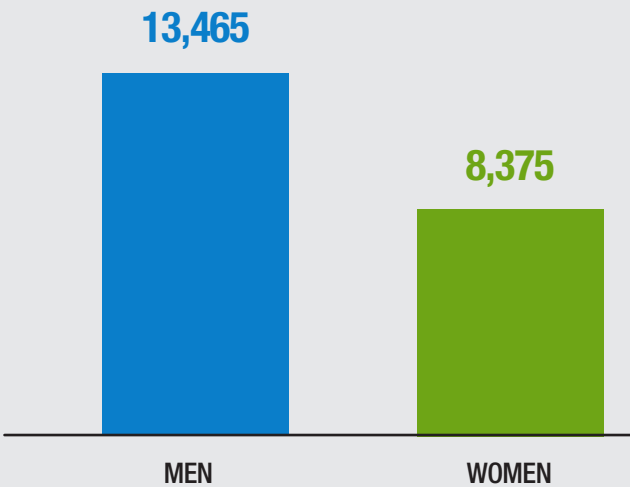
MEN VS. WOMEN: AVERAGE LOSS PAID



MEN VS. WOMEN: TOTAL LOSS PAID



MEN VS. WOMEN: TOTAL REPORTED



AVERAGE LOST TIME FOR
MEN:
24 DAYS

AVERAGE LOST TIME FOR
WOMEN:
22 DAYS

Top 4 Hazardous Classes

1

MEAT, FISH OR POULTRY—RETAIL

Meat market workers or those in the butcher department at the grocery store work with sharp knives and power saws, which can easily lead to lacerations and cuts. However, AmTrust claims data shows that the most common types of injuries occur to the facial bones, elbows, ankles and knees. Upper extremity injuries can be caused by lifting heavy boxes or high-force or repetitive motions.



2

HARDWARE

Hardware store employees climb ladders, cut lumber and load heavy supplies onto pallets or into cars for customers. It's not a big surprise that AmTrust claims data reveals that the most common types of injuries involve the trunk (upper back), upper extremities (shoulder/upper arm) and lower extremities (ankle).

3

AUTOMOBILE PARTS AND ACCESSORIES NOC & DRIVERS

AmTrust claims data shows the major types of injuries for this retail class involve soft tissue, multiple upper extremities, elbows and shoulders. Knee injuries are also commonly reported.



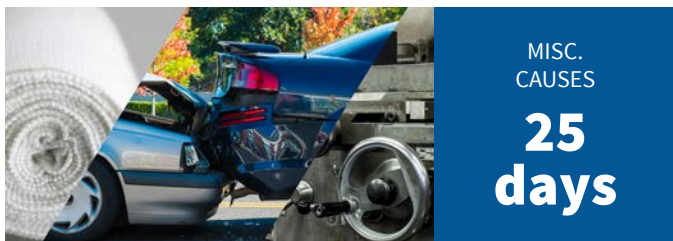
4

BARBERSHOP, BEAUTY PARLOR OR HAIR STYLING SALON

Common injuries for barbers and hairstylists involve the shoulders and thumbs. The repetitive nature of this occupation, using scissors, shavers and razors for many hours a day can easily lead to injury in the upper extremities. Trips, slips and falls are also a major cause of injury for these workers, who often walk on wet, slippery floors with a great deal of tripping hazards from styling utensil cords.

Lost Time

RETAIL STORES: AVERAGE LOST TIME BY INJURY GROUP



STRAINS:

Resulting in the most days out of work, retail workers often suffer muscle strains as a result of improper or excessive lifting, pushing, pulling, bending and other movements. Workers should understand the basics of how to lift heavy objects and know their limits.

FALLS:

Wet, slippery floors or objects in the path of workers can make them more prone to a fall or slip that results in bruises, cuts or even broken bones. Wet floors should be mopped immediately and high traffic areas kept clear of clutter to help reduce these injuries.

The average retail injury with lost time resulted in

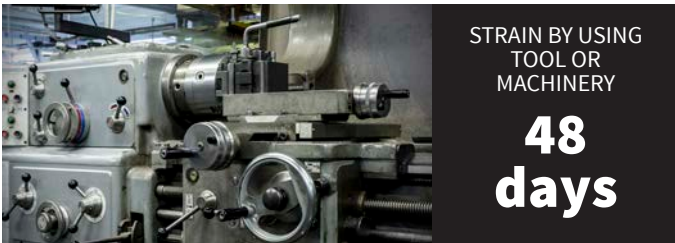
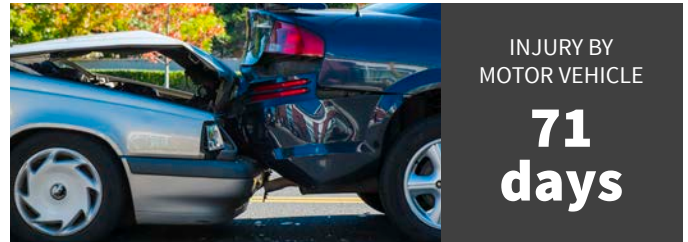
24 days

OUT OF WORK



Lost Time by Injury Type and Cause of Injury

RETAIL STORES: TOP-5 AVERAGE LOST TIME BY INJURY TYPES AND CAUSES



COLLAPSING MATERIALS:

Lost time for this injury is driven up by a few claims with higher-than-average lost time. One includes a 30-year-old female hairstylist/manager who experienced a fracture to her wrist or hand and took 166 days to get back to work. A second claim is a 36-year-old male freight handler who experienced a fractured ankle and took 338 days to return to work.

Top-ten injuries resulted in an average of

64 days

OF LOST TIME

compared to

24 days

FOR ALL INJURIES



Top Injury Groups

STRAINS:

The top reported and top paid injury group was strains. Strain injuries can occur from lifting, repetitive-motion, using tools or machinery, welding or throwing.

- The top-reported claim accounts for 26% of reported claims in top-10 injury groups
- The top-paid claim accounts for 32% of reported payouts in top-10 injury groups
- The average payout is \$10,917 for this type of injury group
- The highest-average lost time is at 33 days in the top-10 injury groups

TOP SOURCES OF INJURY-WHOLESALE AND RETAIL:

- | | |
|--|------------------------|
| 1. Containers | 4. Vehicles |
| 2. Floors, walkways or ground surfaces | 5. Parts and materials |
| 3. Worker motion or position | |

SAFETY TRAINING

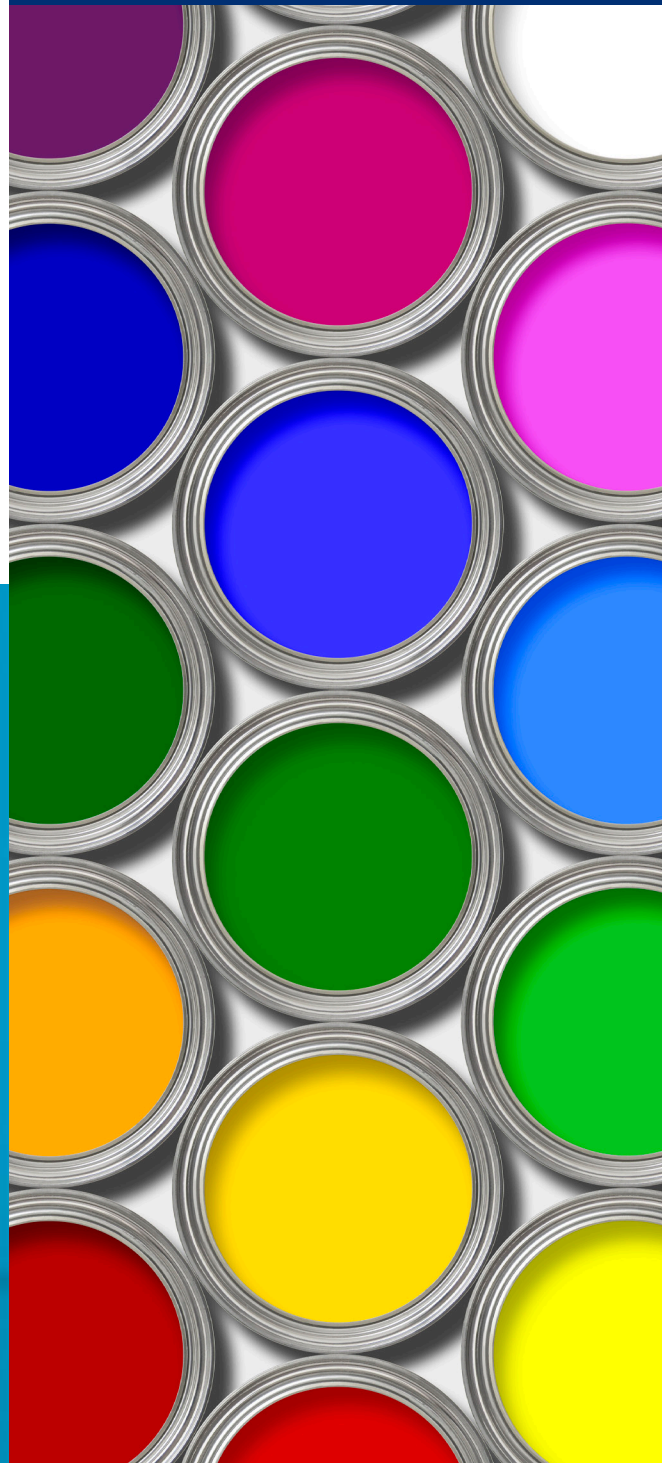
“The majority of retail employees' job descriptions and daily activities include repetitive bending, stooping, squatting and lifting. If employees are not trained and if safe practices are not enforced, injury is imminent. Having new hire training, regular safety meetings, and holding all employees accountable (including management) will help decrease the frequency of strains and all types of injuries and accidents.”

- Jeff Corder, VP Loss Control



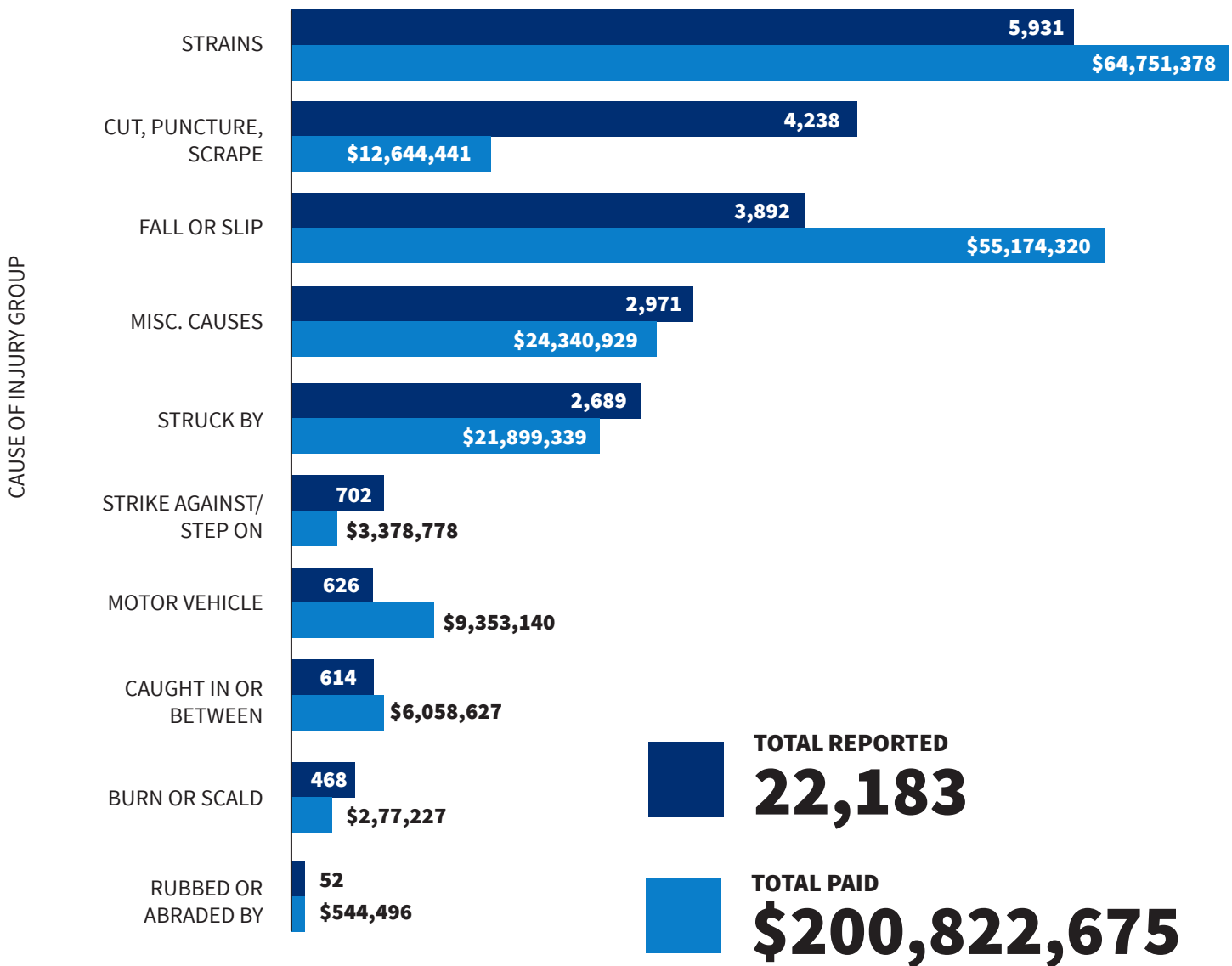
33 DAYS

IS THE AVERAGE LOST
TIME DUE TO STRAINS



RETAIL STORES: CAUSE OF INJURY GROUP

Based on AmTrust claims data for 2016 through 2018, the top-10 injury groups for the retail class codes by overall expenses paid are:



Accident years: 2016, 2017, 2018

THE HIGHEST AVERAGE
CLAIM PAYOUT WAS FOR
MOTOR VEHICLES AT

\$14,941



RETAIL STORES - PART OF BODY REPORTED



SOURCES OF RETAIL INJURIES

A retail store contains a variety of risks that can lead to employee injuries. Retail and wholesale operations are based on the movement and storage of products either on a sales floor or in a backroom or warehouse.

TIPS FOR RETAIL STORE OWNERS TO MITIGATE RISKS

Business owners need to assess any potential risks and continue to educate employees about safe practices. Working with a health and safety expert, such as our Loss Control Team, can help you identify and work to prevent these risks. A few quick best practices to get started with:

- Create and enforce proper footwear policies for all employees
- Keep walking surfaces free of trip hazards and spills
- Ensure stock is safely stored on shelves and that step ladders are in good condition
- Establish safe lifting guidelines and reinforce them with frequent training and reminders
- Provide mechanical aids for transporting stock such as rolling platforms, pallet stackers, hand trucks, stocking carts, and so on
- Train employees on premises security, robbery and shoplifting procedures
- Train employees to ensure that emergency exit paths are clear at all times and keep lighting on pathways and exits maintained





WHOLESALE
ACCOUNTED FOR
28.5%
OF ALL CLAIMS
PAYMENTS

A DEEP LOOK AT WHOLESALERS

Wholesale NOC (not otherwise classified) applies to insureds engaged in the wholesale selling of general merchandise, including:

- Groceries
- Books
- Candy
- Computers
- Household appliances
- Toys
- Soft drinks

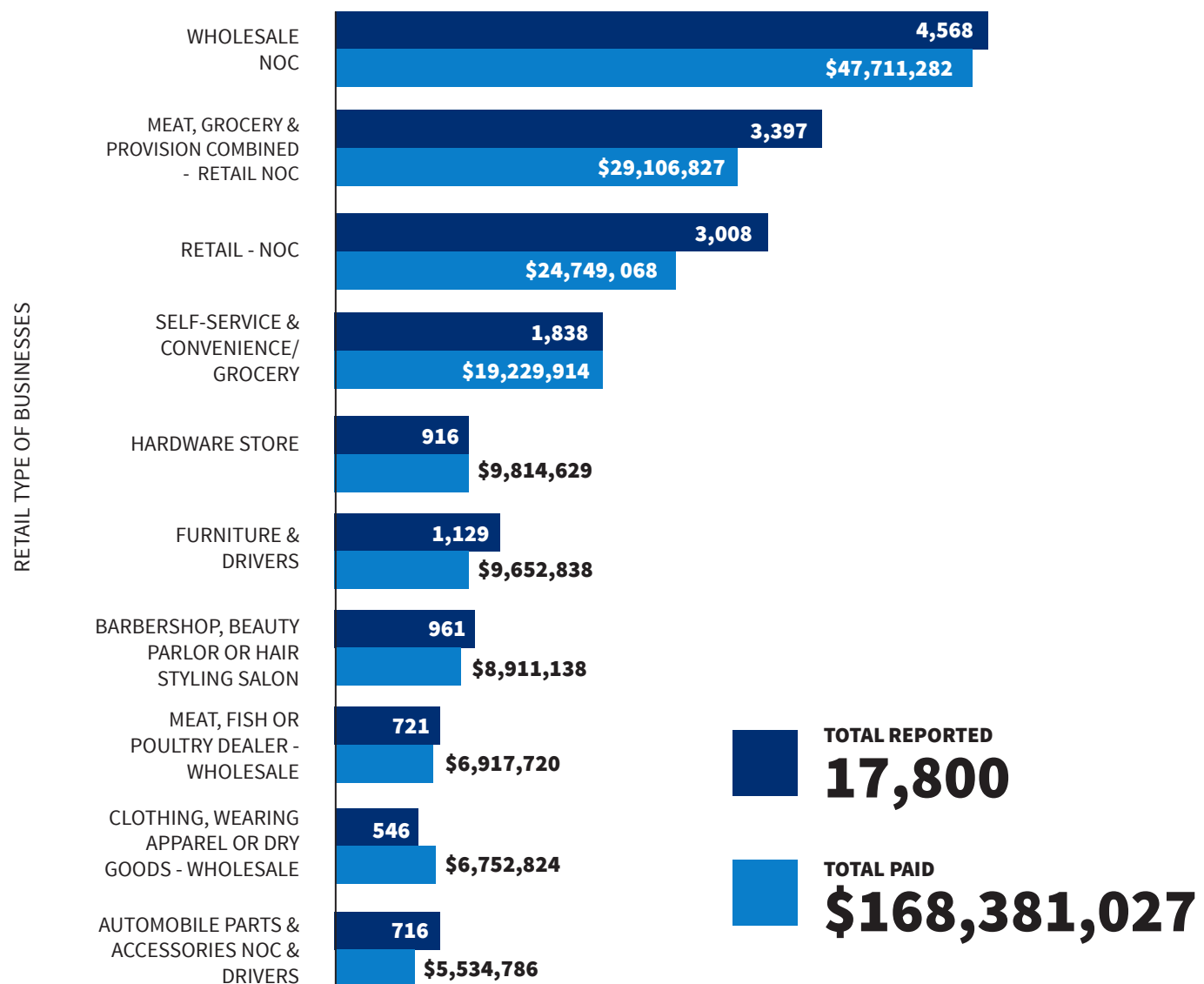
WHY DO WHOLESALERS REPORT SO MANY INJURIES?

Wholesale operations are vastly different from what you think of as typical retail. Their exposures are often far greater and have larger employee populations. There is also a higher risk of employee injuries due to the use of heavy machinery, forklifts, ladders and other equipment.

WHOLESALE OPERATIONS COVERED UNDER WORKERS' COMP CLASS CODE 8018 INCLUDE:

- The assembling, sorting, and grading of goods
- The maintenance of inventory
- The breaking down and repackaging of bulk quantities
- Promotion of sales using an outside source

TOP-10 CLAIMS PAID BY RETAIL TYPE



Injury Data By Age Group

OLDER WORKERS HAVE FEWER INJURIES BUT TAKE LONGER TO RECOVER AND INCUR HIGHER AVERAGE PAYOUTS

THE OVER-70 AGE GROUP
ACCOUNTS FOR LESS THAN
ONE PERCENT OF CLAIMS
BUT HAD THE HIGHEST
AVERAGE PAYOUT AT

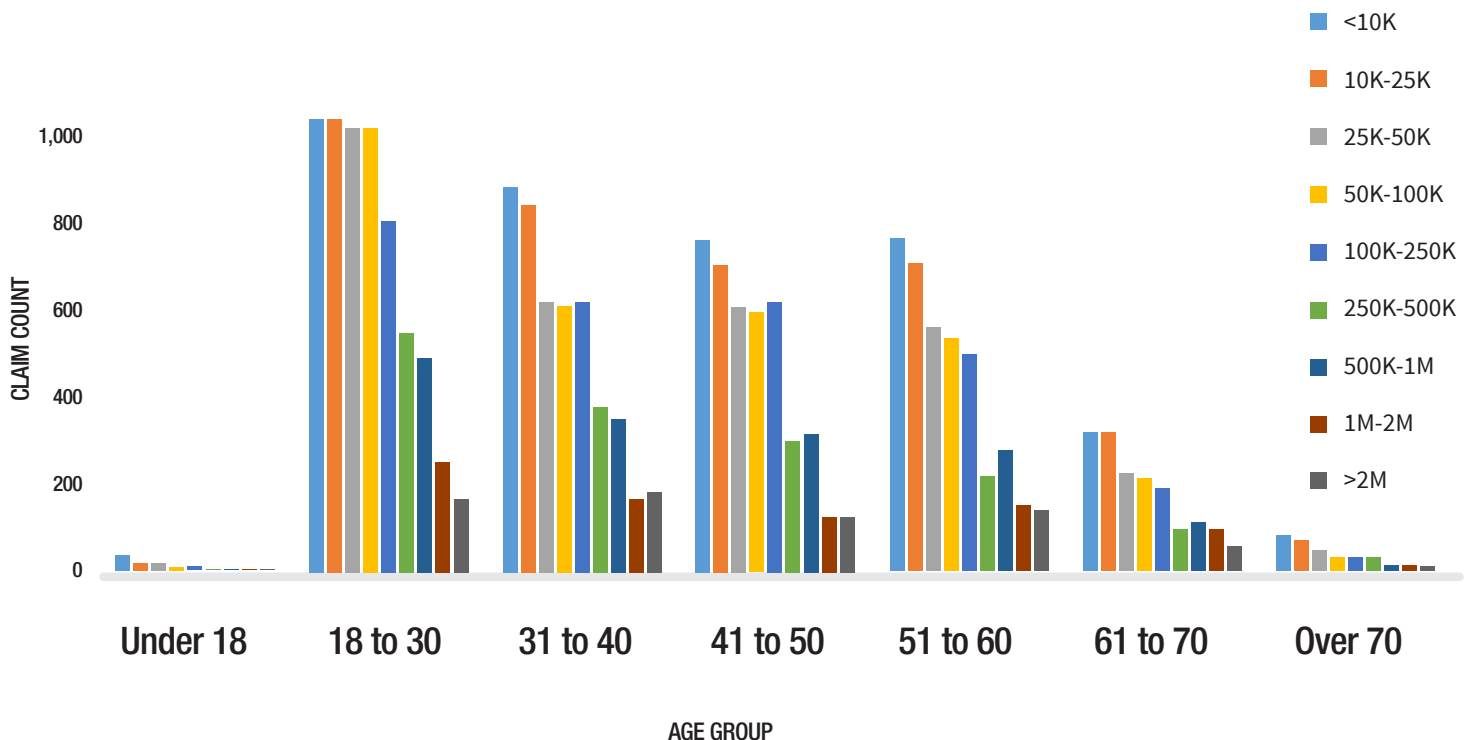
\$14,408



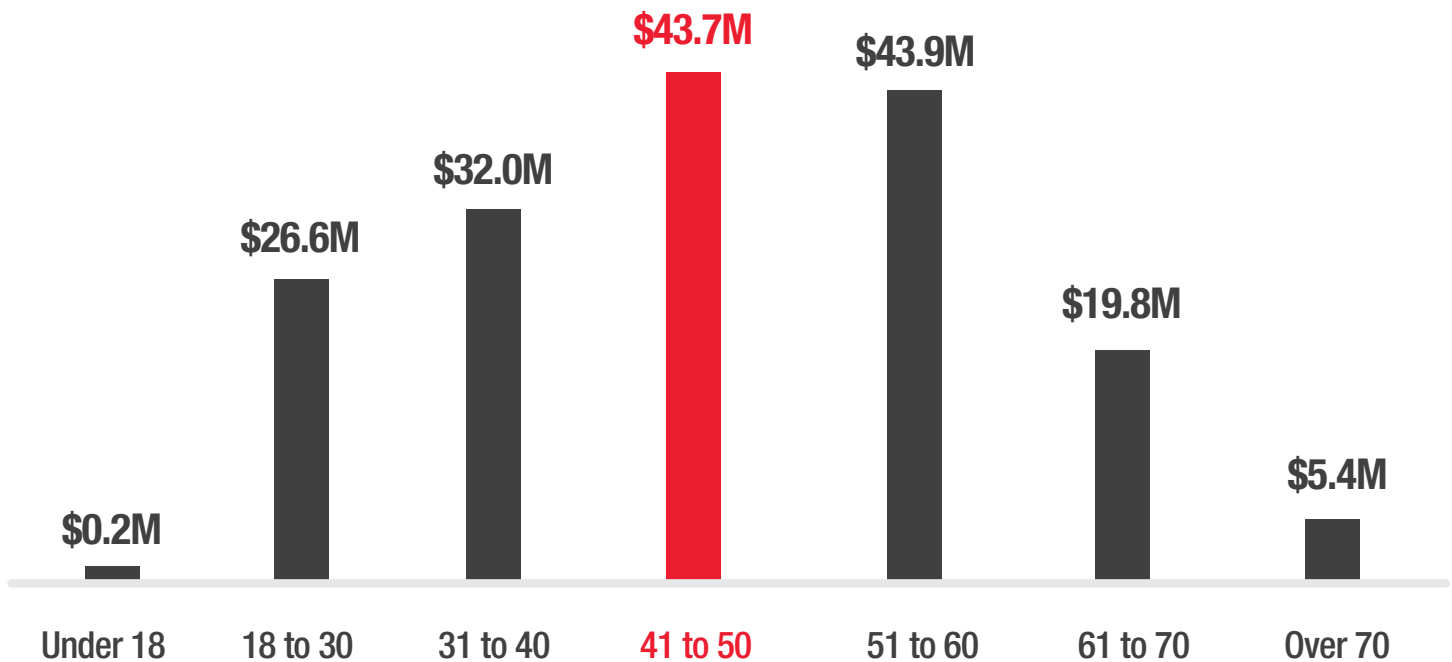
NCCI data shows that older workers have some of the lowest incidents of injury. Because of their experience, older workers have more training and safety knowledge and take fewer risks.

“When injuries do occur, older workers are more likely to have comorbidities and often take longer to recover,” said Matt Zender, Senior Vice President of Workers’ Compensation Strategy at AmTrust Financial.

NUMBER OF CLAIMS BY AGE GROUP AND PREMIUM SIZE



TOTAL LOSSES PAID BY AGE GROUP



INTERESTING TRENDS

- The 18 to 30 age group has the highest reported count, but the over-70 group is about four times more costly per claim.
- Although the 18 to 30 age group accounted for the highest reported percentage of injuries (31.7% of the total), they had a lower payout overall than most age groups (accounting for only 15.7% of payouts) and a shorter lost time than older age groups.
- The over-70 age group accounted for less than one percent of claims but had the highest average payout at \$14,408. The data shows a correlation between higher age and higher payout, with the lowest average payout for the under-18 age group (\$1,995 on average).

DATA SHOWS RETIREMENT AGE IS RISING

“Companies are recognizing the benefit that older, more experienced employees bring. Their knowledge of the industry and job duties can provide a meaningful, positive impact for the employer.

There are advantages for the employee too. In addition to economic benefits, there are proven health benefits to working past retirement age for the individual.

Those who are continuing to work and continuing to keep an active mind are seeing lower instances of degenerative diseases, whether it's mental or physical.”

- Matt Zender, Senior Vice President of Workers' Compensation Strategy, AmTrust Financial

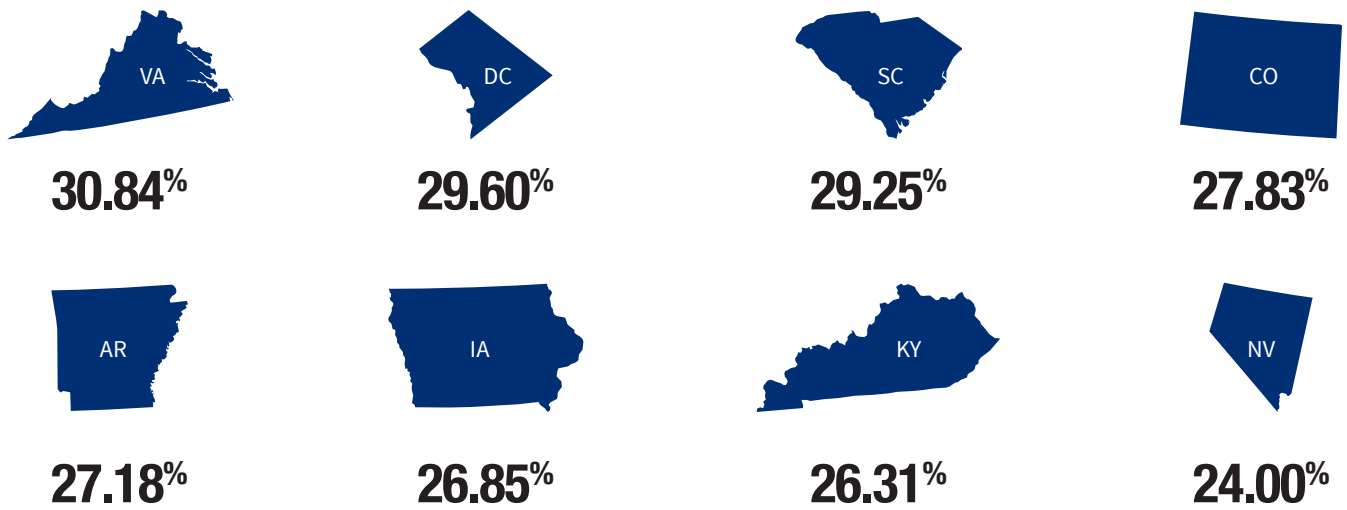


ON POLICIES UNDERWRITTEN BY AMTRUST, OUR 5-YEAR LOSS RATIO OUTPERFORMED THE INDUSTRY

On average, AmTrust’s loss ratio ran 2.5% lower than the industry average for all Store 4-Wall class codes over the past five years. For specific class codes, the loss ratio difference was even more significant, including:

Class Code		AmTrust Loss Ratio Outperformed Industry Average By:
8039 - STORE	Department - Retail	48.13%
8061 - STORE	Convenience - Retail	24.07%
8008 - STORE	Clothing Wearing Apparel Or Dry Goods - Retail	14.63%
8013 - STORE	Jewelry	11.27%
8017 - STORE	Retail NOC	11.14%
8046 - STORE	Automobile Parts And Accessories NOC & Drivers	9.43%
8015 - QUICK PRINTING	Copying or Duplicating Service - All Employees & Clerical Salespersons Drivers	4.27%

AMTRUST OUTPERFORMED THE INDUSTRY LOSS RATIO AVERAGE IN THESE STATES BY:



INDUSTRY TERMS:

Throughout this report, we've shortened terms to make them clearer and easier to understand. Below is a list of the terms we shortened and the corresponding industry verbiage.

- **Strains** refers to strain or injury by
- **Falls** refers to slips and falls
- **Struck by** refers to struck or injured by
- **Collapsing materials** refers to caught in or between collapsing materials
- **Retail** used throughout this report refers to Store 4-wall class codes, including retail class codes

Let AmTrust Help You Manage Your Retail Risks

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