



SAFE PRACTICE or
POTENTIAL ACCIDENT?

KPA safety experts will help reduce your Workers' Compensation incidents. Dealerships have seen their premiums drop tens to hundreds of thousands of dollars through partnering with KPA.

Benefits of a Safety and Environmental Compliance Program

- Improved employee and customer safety.
- Improved quality of service.
- Reduction in Workers' Compensation costs.
- Reduction in site liability insurance costs.
- Reduction in damage to property on premises/
- Improved defense against visitor lawsuits.
- Improved compliance with local, state and federal environmental requirements.
- Credible demonstration of commitment to safety and environmental compliance in the event of agency citations.

EHS Partnership with KPA Can Yield Large Financial and Human Rewards to Dealers

A dealership lot can be a dangerous place. Customers wander in and around vehicles that are frequently moved in tight spaces, and busy service stalls are stocked with hazardous materials.

Dealerships are also heavily regulated for safety and environmental compliance. In addition to EPA and OSHA, they are accountable to local and regional fire departments, water districts, and state agencies. It's no wonder that many dealerships view safety programs as a burden.

Cut insurance costs 10% to 50%

KPA's safety and compliance programs can provide a huge expense control. KPA clients have seen their Workers' Compensation insurance and garage auto liability insurance premiums reduced by 10% to as much as 50%, from \$5,000 a year to over \$500,000 a year, through a KPA/dealer partnership.

Reduced business risks

Lawsuits, and threats of lawsuits, are a fact of life for most dealerships. KPA is a valuable partner in both reducing the risk of lawsuits and providing evidence that the dealership is committed to a professional safety management program.

Programs and Processes

KPA, the largest Environmental Health, and Safety consulting firm dedicated exclusively to dealerships, is your ideal partner in establishing and maintaining your EHS programs.

Through a combination of regular services that KPA delivers, and programs that we teach you to manage for yourself, improved safety can pay big financial and human dividends for your dealership.

Functional Area	Measurement	Potential Results	Comment
Workers' Compensation Insurance	Annual Premium	\$10,000 to \$200,000 reduction	Premium reduction continues year after year when safety practices are embedded within a company.
	Annual Paid Losses	\$15,000 to \$250,000 reduction	As claims reduce in number and severity, insurance payouts drop.
	Loss Ratio	Well under 50%	A loss ratio under 50% may result in both a refund and a premium reduction when a sustained program can be demonstrated.
Garage Auto Liability Insurance	Annual Premium	\$5,000 to \$50,000 reduction	May also receive more coverage, higher loss limits, and guaranteed rates.
Lot Damage	Cash Paid Out	\$10,000 to \$100,000 reduction	As damage decreases, dealership out-of-pocket costs also decrease.

Financial Rewards

Three Areas for Big Savings

Safety pays. There is no better proof than the large reduction in Workers' Compensation premiums, in garage auto liability premiums, and in reduced damages on the dealership lots obtained by KPA clients through implementing programs.

One large dealership reduced its W/C premium by over \$190,000 a year, and smaller organizations have saved 10% or more of their insurance costs through a systematic loss reduction program.

Three major categories of financial payouts can be reduced through a focused effort between the dealership and KPA:

1. Workers' Compensation
2. Garage auto liability insurance
3. Out-of-pocket lot damage

Workers' Compensation

Reducing W/C insurance costs is directly tied to reducing the payouts by the insurance company on behalf of the dealership. Such payouts include payments to injured employees and their medical costs and legal fees.

As payouts are reduced, the loss ratio drops (loss ratio is the percentage of payouts made to premiums paid). Often clients with a loss ratio under 50% can apply to their insurance carriers for rebates on premiums paid and can press for reduced premiums the following year. Most carriers consider the past three years' loss ratio in establishing rates.

Garage Auto Liability Insurance

Rates for a dealership's garage auto liability policy, which insures people, vehicles and property, tend to rise steadily as companies grow.



KPA has been advising dealerships on safety and environmental compliance since 1991.

Garage Auto Liability Insurance (contd.)

However, such increases can be stopped, or even reversed, with a comprehensive safety program that has been embedded into the company operation and culture.

Recently, a KPA client was able to demonstrate to the carrier not only the drop in payouts, but also the effectiveness of a dealership's safety program and its impact on loss prevention. The result was a partial refund for the past year's premium in addition to a lower premium for the following year.

Lot Damage

Damage to inventory – vehicles for sale on the lot – and to customer property is a significant expense for most dealerships.

Working with KPA, a dealership can develop a program to reduce lot damage, including discussion of each incident in the regular safety meetings and the use of KPA's safe driving video for employee education.

One client's result was a 20% drop in damages in 12 months and a big drop in its premium the following year.

Risk Avoidance

Meeting Regulatory Requirements and Minimizing Legal Risk

OSHA Fines

Unannounced OSHA inspections often yield safety violations in even the most conscientious dealerships. When a violation is alleged, KPA safety advisors work with the client to develop the defense strategy and will accompany company officials to meet with OSHA representatives. By demonstrating the existence of a continuous safety program, severities and fine amounts are often reduced.

Visitor Lawsuits and Workers' Compensation Lawsuits

Likewise, a dealership's ability to demonstrate a rigorous safety program has discouraged potential litigants from filing claims. When lawyers contact the dealership about alleged incidents, they realize the company is not an "easy target" and can mount a strong defense.

Environmental Compliance

KPA engineers are experts in the requirements of the many agencies with which a dealership has to work, and will fill out forms, perform inspections and provide guidance.

About KPA

With more than 3,000 customers in 41 states, KPA (formerly Kip Prah Associates) is the largest provider of environmental health, and safety compliance services to automotive, RV, and other vehicle dealerships in the U.S.

The key to our 21 years of success is hands-on attention. KPA's field specialists come to each client's location to provide on-site training and support.