

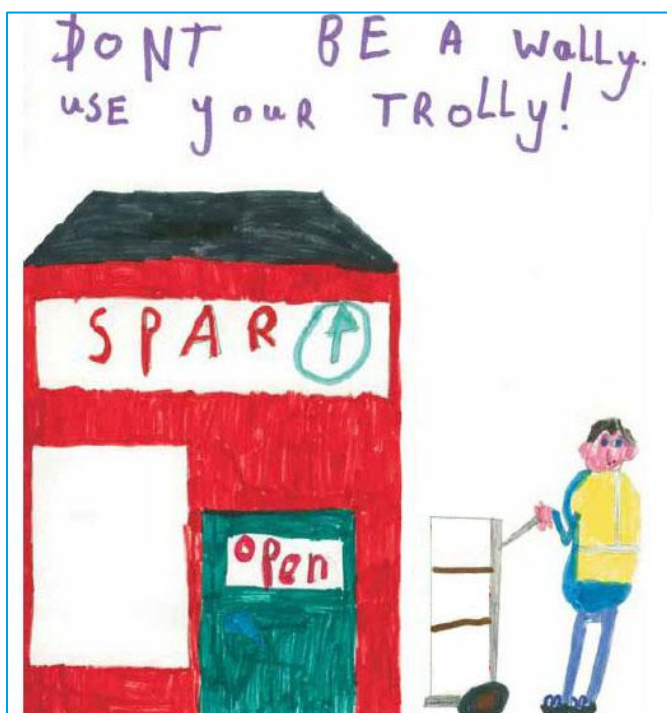


Rationale

Musculoskeletal Disorders (MSD) is a common risk faced by the logistics industry due to their daily handling of products involving a variety of sizes and weights as they deliver to thousands of customers. An in depth risk intelligence review of a QBE insured's claims history identified MSD as being responsible for over 40% of their Employer's Liability claims. This high percentage was also replicated in their accident trends. On average each MSD claim cost the business £10,000 in direct claim costs. Over the period of the last five underwriting years MSD claims costs incurred reached in excess of £1,800,000. A conservative impact assessment of indirect costs to the business, based on HSE case study evidence, was estimated at £15 million.

Upon assessment of their systems, it was found that the insured lacked:-

- Risk Assessment for handling both in warehouse and delivery operations
- Unrecognised hazards of incorrect handling methods
- Lack of effective manual handling training
- A culture of 'finish the job early and go home'

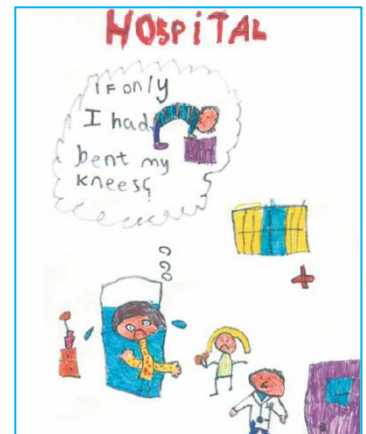


Approach

As part of the risk improvement it was important to understand the client's culture, business objectives and the employee loyalty ethics that put deliveries first and their health second within a multi site 24/7 organisation. Working with their Health & Safety Manager a strategy was devised and accepted by the executive board. The MSD strategy developed was aimed at all levels within the business from executive board to the operators and drivers. QBE recommended and supported two actions.

Manual Handling awareness campaign

A campaign was developed taking information from the organisation and the HSE backs campaign. As part of this QBE supported a children's competition to develop a 2007 calendar. This led to employees taking information home and sharing with their families problems associated with MSD and discussing



causative factors such as poor manual handling and lifting techniques. An associated benefit for the organisation's many drivers was to raise road safety awareness by asking questions about the chances they took to finish early and their general safety on the roads. The campaign attracted a flux of entries of children's pictures relating to backs and poor handling etc. Many pictures replicated an incident their parent had had, many of which were recognised as reported accidents.

The success of the campaign was immediately self evident as follows;

- 20% reduction of related incidents,
- Well received 2007 calendar with further interest from supplier/partners.
- Entries used for A3 wall posters

The secondary benefit has seen both management and employees recognise the importance of safety at home as well as work through various safety messages based upon good handling and lifting practice and delivered by their children's pictures.

Full ergonomic assessments by our in house ergonomic specialist

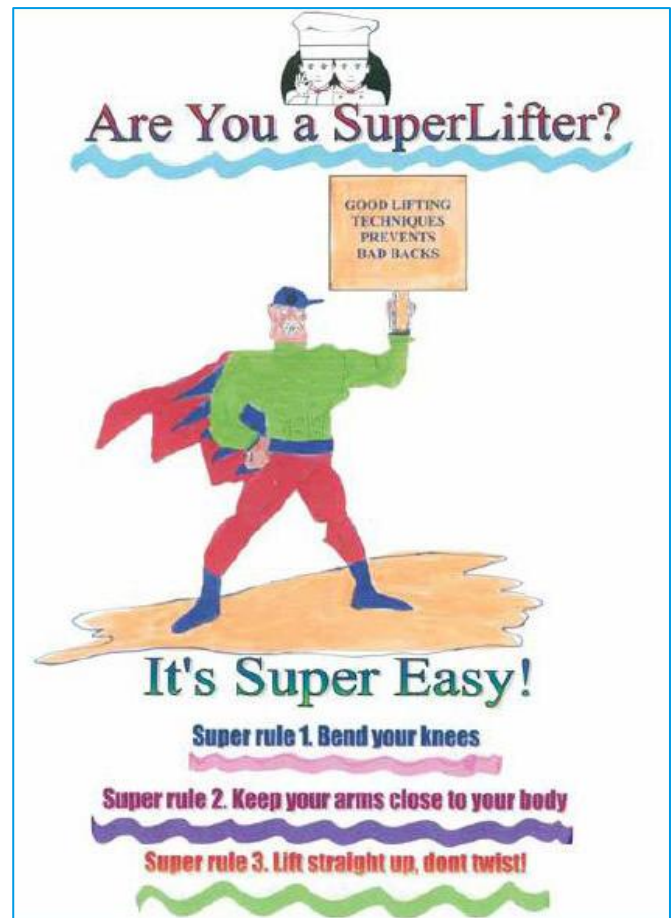
QBE provided ergonomic assessments completed by our in house specialist, demonstrating the true impact of their working culture both as drivers and operators. The report provided objective evidence of the impact to human life and the cost to the business concluding why their operational working methods had to change.

Impacts

QBE's knowledge of the insured and effective working relationship provided a foundation for a strategic process to be agreed, allowing for a pragmatic piecemeal approach of one step at a time with accountability throughout the management tiers. The step by step approach allowed both managers and employees to gain knowledge and confidence enabling them to sustain the changes made from their previous working culture. QBE were also able to demonstrate the business case for change i.e. that going home early has a greater cost than the person who takes longer, but continues to work without lost days for a greater number of years.

Between 2006 and 2008 the following impacts were achieved:-

- | | |
|-------------------------------------|-----|
| • Manual Handling accidents reduced | 21% |
| • Manual Handling claims reduced | 30% |



For further information:

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