Workplace Safety
ACADEMY



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Key Highlights

- Online safety training reduces accident rates by equipping workers with hazard recognition and safe procedures, preventing costly claims before they occur.
- Regulatory compliance is simplified through digital training libraries, helping employers avoid fines and penalties that can increase workers' comp costs.
- A strong safety culture, supported by trackable online training, can improve MOD scores and lead to lower insurance premiums over time.
- Case studies show significant premium savings, such as a trucking fleet saving over $250,000 annually after reducing collisions and improving their EMR.
- Investing in online safety training offers quick ROI by preventing costly injuries, reducing downtime, and improving employee engagement and retention.

Online Safety Training is a Direct Path to Reducing Workers' Compensation Premiums

Online safety training proactively prevents workplace accidents, reducing claims and associated costs.

by Rick Tobin

For employers across North America, workers' compensation premiums are one of the most significant controllable expenses in their operating budgets. Premiums are designed to reflect risk: Companies with higher injury rates pay more, while those with better safety records are rewarded with lower costs. In today's competitive business environment, every dollar saved on insurance can be reinvested into growth, wages or innovation.

The challenge? Reducing premiums requires more than reacting to accidents—it requires proactively preventing them. That's where online safety training has emerged as a powerful, cost-effective solution.

As Rick Finemann, vice president of loss control at Berkshire Hathaway Homestate Companies, explained, in a recent sit down I had with him: "The dollars tied up in claims are staggering, but the real cost is in the human impact and the productivity you lose. That's why prevention is always more powerful than paying claims after the fact."

By embedding online training into their safety programs, employers can reduce accident frequency, improve compliance, and build a safety culture that lowers claims—and with them, workers' compensation premiums.

How Workers' Compensation Premiums are Calculated

To understand how training affects premiums, it helps to first understand the formula. In both the U.S. and Canada, workers' compensation systems look at several key factors:

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Industry classification
High-hazard industries, such as construction or trucking, start with higher base rates.

Payroll size
More workers mean more potential exposure, so premiums scale with wages.

Experience Modification Rate (EMR or MOD)
A performance score that compares an employer's claim history to others in the same industry. An EMR of 1.0 is average; below 1.0 indicates fewer claims and results in discounts, while above 1.0 means surcharges.

Claim frequency and severity
Both the number of claims and the cost of those claims matter. A single catastrophic loss or repeated minor injuries can drive premiums up.

Online safety training directly influences the most controllable part of this equation: claims frequency and severity.

Why Online Safety Training Matters

1. Reducing Accidents Before They Happen

Every claim avoided is a premium dollar saved. Online training equips workers to recognize hazards and follow safe procedures, whether it's preventing a fall, handling chemicals properly or avoiding distracted driving.

As Finemann noted, "If all you do is wait for claims, you're behind the curve. Training gets you upstream. It stops accidents before they hit your balance sheet."

2. Building Compliance and Avoiding Penalties

Regulators in both the U.S. and Canada require employers to train workers on specific topics: hazard communication, personal protective equipment, confined space entry, HazCom/WHMIS and more. Failure to comply not only increases accident risk but can also lead to fines, which indirectly affect workers' comp costs by inflating claim severity and drawing scrutiny from insurers. Online training libraries keep employers aligned with evolving standards automatically.

3. Creating a Culture of Safety

Workers' comp premiums don't just reflect injuries—they reflect organizational culture. Companies with robust, trackable training programs demonstrate to insurers that they are serious about prevention. Over time, this reduces MOD scores and secures more favorable rates.

Finemann reinforced this cultural point when he noted, "Our job isn't just to underwrite risk—it's to shape it. Employers have that same opportunity. When they use training to change how people think and act on the job, premiums follow."

The ROI of Online Safety Training

While the upfront cost of an online safety training platform might range from a few dollars to a few hundred dollars per employee per year, the return is almost immediate when compared against the cost of claims.

The National Safety Council estimates the average direct cost of a lost-time injury is over $40,000. In many cases, just one claim can raise an employer's EMR enough to increase premiums for three years or more.

Compare that to an online training subscription that might cost $199 annually per employee. Preventing even a single recordable injury delivers a return on investment many times over.

Benefits Beyond Premiums

Productivity Gains

Trained employees make fewer mistakes, handle equipment properly and return to work faster if incidents occur. That reduces downtime and keeps operations moving.

Employee Morale and Retention

Workers are more engaged when they know their employer values safety. Strong safety cultures reduce turnover, which also reduces onboarding costs and further stabilizes insurance premiums.

Defense Against Claims

When claims do arise, documentation matters. A learning management system (LMS) creates a digital record of training completion that employers can use to demonstrate due diligence. This evidence can limit liability and reduce claim severity in litigation.

Case Examples: Training and Premium Impact

Trucking Fleet

After implementing online distracted driving modules, a regional fleet saw collisions drop by 30%. Over the next renewal cycle, their EMR dropped from 1.25 to

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0.98, saving more than $250,000 in annual premiums.

Manufacturing Plant

A plastics manufacturer rolled out eLearning on chemical safety and machine guarding. Injury frequency fell by 40% over two years, cutting their workers' comp surcharge by 20% and making them eligible for a safety group dividend.

Construction Firm

By integrating online fall protection and ladder safety training, a mid-sized contractor reduced fall claims from six in one year to just one the next. Their EMR moved below 1.0, earning them preferred status with both insurers and clients who require strong safety records.

Practical Steps for Employers

Assess Your Loss History

Identify the top drivers of your workers' comp claims (e.g., slips, back injuries and vehicle incidents) and prioritize training in those areas.

Deploy a LMS

Use a learning management system to assign, track and document completion of courses. This not only proves compliance but also highlights training gaps.

Engage Supervisors

Combine online learning with short, in-person toolbox talks led by supervisors to reinforce lessons in context.

Track and Adjust

Monitor training completion and compare it against incident data. Over time, you'll see where more reinforcement is needed.

The Long-Term Payoff

Online safety training is not just about avoiding one or two claims—it's about changing the trajectory of your workers' compensation costs. With consistent use, employers can lower EMRs, qualify for rebates or dividends, and improve their competitive position in bidding for contracts (many of which now require proof of strong safety records).

As Finemann summarized, "I've seen firsthand that when training is easy to access, incidents fall. It's not theoretical. It shows up in the numbers, in fewer claims and in lower premiums."

The Smartest Investment

Workers' compensation premiums are a reality of doing business, but they don't have to be an uncontrollable burden. Employers that embrace online safety training have a proven path to reduce claims, lower EMRs and unlock significant savings. Beyond the financial impact, they gain safer workplaces, stronger cultures and a reputation as employers of choice.

In a competitive marketplace where margins are thin, the message is clear: online safety training is not just an HR tool—it's a financial strategy. And for employers that want to protect their people and their bottom line, it may be the smartest investment they can make this year.

Rick Tobin is president and CEO of Bongarde Media, a web-centered information and training tools company focused on the compliance and education needs of safety, environmental and human resource professionals, including SafetyNow online safety training, a partner of EHS Today's EHS Education platform. He holds multiple degrees from the University of British Columbia and the University of Edinburgh. Prior to joining Bongarde, Rick helped companies like Disney, Sterling Commerce and divisions of Lockheed Martin with online market growth while also authoring landmark research on SERP engagement, usability and UX design for companies like Google, Microsoft and Disney.