

PHARMACY

Risk Management

Pharmacists Mutual Companies

- Pharmacists Mutual Ins. Co.
- Pharmacists Life Ins. Co.
- Pharmacists National[®] Ins. Corp.
- Pro Advantage Services, Inc.
- PMC Quality Commitment, Inc.

Volume 10, Number 2

Fall 2001

A Risk Management Newsletter provided as a service by Pharmacists Mutual Companies.

September 11, 2001

On behalf of the Pharmacists Mutual Family, we extend our deepest sympathies to those who lost family, friends, colleagues, and acquaintances and to the thousands affected by the tragic events of September 11.

The attack caused a terrible loss of life and a tremendous destruction of property. Two of the world's largest reinsurers experienced staggering catastrophic losses. As a company, we are fortunate and grateful the recent terrorist attacks have not had significant financial impact on the Pharmacists Mutual Companies. For over 90 years, we have been helping pharmacists cope with their losses and we assure you we will be able to pay any claims swiftly.

Our friends in other insurance companies were not as fortunate as Pharmacists Mutual. In addition, catastrophes of this magnitude, with losses in the billions of dollars, are likely to increase insurance industry expenses, reinsurance costs, and insurance premiums countrywide.

Although Pharmacists Mutual has not been impacted financially, we have all been impacted emotionally. But even as we mourn, we are lifted and given hope by our country's leadership and by the unparalleled resilience of people of this great nation.

Ours is a nation of great character and courage. Together, we will move forward to heal our world and build a stronger tomorrow.



Handwritten signature of Kirk M. Hayes in black ink.

Kirk M. Hayes
Chairman and Chief Executive Officer

Handwritten signature of Edward T. Berg in black ink.

Edward T. Berg
President and Chief Operating Officer



PRODUCT CERTIFICATIONS – FACT AND FICTION

As all pharmacists know, the FDA reviews the testing on all prescription and non-prescription drugs and medical devices before they can be made available to consumers. Many products are then advertised as “**FDA approved.**” The simple truth is that all such products are FDA approved or they could not be marketed. The FDA also monitors food products other than meat and poultry after they’re made available to the public.

Other valid certifications include the **UL mark** from the Underwriters Laboratories for electrical products, the **Good Housekeeping Seal** that verifies a product’s safety and that it lives up to advertising claims. Intertek Testing Services (ITS) tests and certifies electrical and fossil-fuel fired products under its **ETL Listed Mark** and the **Warnock Hersey Mark** for building products. ITS tests children’s products for the Juvenile Products Manufacturers Association (**JPMA**) certification. The JPMA measures products against standards published by the American Society for Testing and Materials (ASTM). Other products advertise themselves as compliant with **ASTM standards**.

What about products you see advertised in the media or at point of purchase as “OSHA approved”? The simple fact is that **OSHA does not certify or endorse anything**. Also abused is the labeling of a product as Consumers Union (CU) approved. The **CU does not endorse or certify any products**. It does publish their testing results in their Consumer Reports publication and on their website at www.ConsumerReports.org.

When in doubt about a product’s claims or safety, you can check for recalls or file a complaint at the **U.S. Consumer Products Safety Commission** at 800-638-2772 or their website at www.cpsc.gov.

ELECTRICAL SAFETY

A recent issue of the National Safety Council's Family Safety and Health offered these reminders about **electrical safety**:

- ✓ **Don't** ignore flickering lights, blown fuses, or sparks.
- ✓ **Do** have a qualified electrician check the wiring.

If you can't use the hairdryer while someone else is making toast, it's time to get the wiring inspected. More than one or two blown fuses or tripped circuit breakers a year should probably trigger an inspection. Other trouble signs would be dimming lights, an "electrical" smell, warm cords and soot around outlets.

- ✓ **Don't** overload circuits.
- ✓ **Do** read appliance wattage labels and balance the load on circuits.
- ✓ **Don't** use older extension cords without inspecting them and don't use them as permanent wiring.
- ✓ **Do** check for frays and cracks and abide by the cord's load limit.
- ✓ **Don't** assume your home or building is wired correctly.
- ✓ **Do** determine when your electrical system was last inspected.

A good rule of thumb: if it's been more than ten years since your system was inspected, a new inspection is advised. The main fuse block or circuit breaker panel usually has a label or tag with an inspection date and name.

- ✓ **Don't** ignore switches or outlets that don't work.
- ✓ **Do** have them inspected, replaced or repaired by a qualified electrician.

There's a reason they're not working and that could be a symptom of a larger problem that might lead to fire or shock.

- ✓ **Don't** use electrical appliances or talk on the phone during thunderstorms.
- ✓ **Do** wait until the storm passes.

Lightning strikes can travel through unprotected lines and ruin or literally blow up appliances and telephones. If you ever witness the damage caused to a phone by such a strike, you would certainly think twice about holding that phone to your ear during a storm.

- ✓ **Do** inspect your home room by room.

Things to look for: ground-fault circuit interrupters (GFCIs) around sinks and on all exterior outlets; safety covers on unused outlets when children are around; clean lint and dust from refrigerator coils and dryer vents; electric blankets should never be "tucked in;" match light bulb wattages to the specifications on all lighting fixtures and lamps; cords should never be covered with carpeting or rugs; power tools should be double insulated or equipped with a three-pronged plug; maintain a 3 foot "clear zone" around furnaces, dryers, and water heaters.



Keep a disposable camera in the glove box of your vehicle. If you're in an accident, take pictures of the vehicles, the scene, and the people. May help in the adjusting process.



OSHA UPDATE

Any new OSHA Ergonomic initiatives are a ways off. The entire issue has been backed up to the factfinding, formative stages. The new Administration has not dropped the ball on Ergonomics. They just want to formulate a workable, cost effective program that will protect workers and be fair to employers at the same time.

The **Needlestick Prevention program**, a rewrite of that part of the Bloodborne Pathogens Standard, **IS in effect as of now.** Any pharmacies or home care agencies that provide infusion services should already be adhering to this new set of guidelines. The guidelines address the following topics: keeping a sharps injury "log," a system for selecting safer devices as they become available, reviewing and updating exposure control plans, and an ongoing commitment to gaining input into all aspects of the program from non-managerial personnel. The OSHA website, www.osha-slc.gov/needlesticks/index.html has an excellent, user-friendly fact sheet on this topic.

As of the last writing, the **new Recordkeeping requirements** from OSHA were on hold. Those restrictions have been lifted and the new requirements will go into effect January 1, 2002. The new OSHA 300 Log for recording workplace injuries and illnesses is available on the OSHA website, www.osha.gov/oshdocs/record/osha300form.pdf.

Two health conditions reporting requirements will be delayed until 2003 while more studies are completed. Those are: hearing loss provisions and soft-tissue (ergonomic) injuries. All others must be recorded on the new 300 Log in the year 2002. These new requirements do NOT affect you if you have been exempt from recording in the past, e.g., ten or fewer employees.

Don't have time to get through the OSHA regs and red tape? Let us be your source for focused information concerning OSHA. Contact Pharmacists Mutual Risk Management at 800-247-5930 extension 229.



We haven't been able to verify this story, but if true, it's certainly a good example of **creative loss control**.

The owner of a bookstore in a large city had been robbed numerous times and forced to hand over the contents of his cash register and safe. One day he went to a police auction and bought a well used police motorcycle, took it to his store and parked it out front each day. For the remaining time he was in business, he was never robbed again.

PHARMACISTS MUTUAL RECEIVES NCPA ENDORSEMENT

Pharmacists Mutual Insurance Company and its subsidiaries, Pharmacists National Insurance Corporation, Pro Advantage Services, Inc., Pharmacists Life Insurance Company and PMC Quality Commitment, Inc. are pleased to announce the **endorsement of its insurance products and investment services by NCPA**, the National Community Pharmacists Association.

"We at Pharmacists Mutual Companies are proud to have received the endorsement of the premier independent pharmacy organization in the United States," said Kirk Hayes, Chairman and CEO of Pharmacists Mutual Companies. "We are aware that the endorsement of NCPA to the pharmacists of America places on Pharmacists Mutual the obligation to re-earn our reputation every day. This is an obligation we have taken seriously since our founding in 1909, and now, with the help of NCPA, we intend to work even harder to serve America's pharmacy community."



VOLUNTEERISM IS A NOBLE UNDERTAKING – BUT BEWARE OF COVERAGE GAPS

Our customers, by their very nature, are caring, concerned members of society. As such, they volunteer their time and efforts to all sorts of civic, school, church, and charitable purposes. And that's a wonderful thing!

However, all of you volunteers need to think about the insurance coverage gaps that may exist when you are performing volunteer work. Does the organization you volunteered for have a General Liability policy? **Probably, but you would not likely be a covered "insured."** Would you be covered by a Workers Compensation policy if you were injured? **Probably not.** Would your personal Homeowners or Auto Policy or your personal health insurance provide coverage for your actions as a volunteer? **In most instances, yes, but there would be actions that would be excluded, e.g., libel or slander.**

As a volunteer, you should ascertain from the organization's staff the status of their insurance coverages and how those coverages relate to you and your work for the organization.

A recent issue of The National Underwriter, an insurance trade publication, printed a thought-provoking article on this topic. If you would like more information, contact me at jack_williams@phmic.com or talk with your Pharmacists Mutual Marketing Associate or Field Representative.



HIRING A REMODELING OR REPAIR CONTRACTOR – dos and don'ts

Whether you are repairing insured damages or doing a planned remodel, this list published by the Title One Home Improvement Lenders Association will help ensure that the job is done right and you won't end up being one of those home improvement / repair horror stories we've all heard.

- ◆ Ask for bids from at least three contractors. Don't automatically select the lowest bid. In fact, if one bid is significantly (20%) lower than the others, it could be a danger sign.
- ◆ Check with your local Better Business Bureau for complaints against any contractor you're considering.
- ◆ Check the contractor's license. Call the appropriate licensing authority to make sure all credentials are up-to-date.
- ◆ Be wary of requests for sizeable deposits. The contractor may use your funds to finish another job and be less enthused about completing your project.
- ◆ Ask for references and check them out.
- ◆ Demand to see, and make copies of, evidence that the contractor has current insurance in force for workers compensation, property damages, and personal liability.
- ◆ Check how long the contractor has been in business. New firms may be fine, but it's comforting to work with one that has stood the test of time.
- ◆ Put everything in writing. Don't sign anything until all terms and conditions are agreed upon.
- ◆ Have the contract specify the materials to be used. Specifying brand names is usually some assurance of quality.
- ◆ Keep a file. Include everything – the contract, itemized invoices, cancelled checks, and correspondence.
- ◆ Above all, trust your instincts. Choose a contractor you feel comfortable working with.



THE LIGHTER SIDE – ACTUAL CONSUMER PRODUCT WARNINGS LABELS

- | | |
|---|--|
| 🔥 On bread pudding – Product will be hot after heating. | 🔥 On a chainsaw – Do not attempt to stop chain with hands. |
| 🔥 On a clothes iron – Do not iron clothes on body. | 🔥 On a food processor – Not to be used for any other use. |
| 🔥 On children's cough medicine – Do not drive car or operate machinery. | |
| 🔥 On a sleep aid – Warning, may cause drowsiness. | And last, but not least, |
| 🔥 On a hairdryer – Do not use while sleeping. | 🔥 On a foreign-made kitchen knife – Keep out of children. |

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ALTERNATE NEWSLETTER DISTRIBUTION DECISION

In the last issue of this publication (Spring 2001), you had an opportunity to voice your opinion on your preferred format for receiving this newsletter. Thank you to everyone who responded to the survey. The results are indicative that the **vast majority of recipients wish to continue receiving the printed newsletter**. We will continue this method of distribution, as well as consider alternative delivery methods in the future.



SPRINKLER REPLACEMENTS

If your place of business or home has an automatic sprinkler fire suppression system, you may be affected by a massive **sprinkler replacement program** undertaken by The Central Sprinkler Company.

Certain models of Central sprinklers containing O-rings are being replaced; 35 million of them to be exact! The vendor of the system should have already contacted you or your landlord about this situation. However, if they have not, you may want to call **1-866-836-3928** (9 am to 7 pm – EST) or visit Central's website at www.SprinklerReplacement.com to receive more information about the program and to see if your system qualifies for replacement.

Do you have any questions or requests concerning

- ✓ **The contents of this newsletter?**
- ✓ **Safety Consultation Services?**

Call 800-247-5930 ext. 229 or E-mail jack_williams@phmic.com

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