



Traffic Safety Facts Banner

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**U.S. Department of Transportation**  
National Highway Traffic Safety Administration  
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## TRAFFIC SAFETY AND HEALTH CARE

### STATE AND NATIONAL ESTIMATES OF EMPLOYER COSTS

Motor vehicle crashes on and off-the-job cost employers \$53 billion in 1992. One third result from off-the-job injuries to workers and their dependents. Highway crashes account for \$16 billion per year, or 5 percent, of employers' health fringe benefit costs. These are among the findings of an update to *The Cost of Injuries to Employers*, published in 1992. The update uses the most recent crash costs to calculate health expenses and estimate savings from implementing traffic safety programs at the workplace.

Employer costs from motor vehicle crashes fall into three cost categories: health fringe benefits, non-fringe, and wage premiums.

Health fringe benefit costs include contributions to Workers' Compensation, medical and disability insurance, health insurance, sick leave, Social Security disability, life insurance, private disability insurance, insurance administration, and overhead.

Non-fringe costs include motor vehicle property damage and liability insurance, crash-related legal expenses, and the costs of unreimbursed vehicle damage and replacement. Employers also pay taxes to help fund police, fire, and ambulance services. They also pay recruitment and training costs resulting from deaths and long term disabilities.

Wage premiums are paid to workers for accepting risky jobs. This premium can be viewed as payment in advance for possible future losses.

Employers pay for injuries that occur both on- and off-the-job. In 1992, motor vehicle crashes killed an estimated 3,000 people while they were working and injured 332,000. Over half of the injuries forced people to miss work. On-the-job crash injuries are about 6.5 percent of all crash injuries. On-the-job highway crashes cost employers \$25,000 per crash, \$85,000 per million vehicle miles of travel (M VMT), and \$110,000 per injury.

	Per Crash	Per Injury
<b>Health Fringe Benefits</b>	\$ 2,150	\$ 7,450
<b>Other Direct Costs</b>	11,990	46,030
<b>Wage Risk Premiums</b>	10,360	35,901
<b>Total</b>	\$25,000	\$110,000

Off-the-job crashes also cost employers. Off-the-job crash injuries account for over \$12 billion, or 77 percent of motor vehicle crash health fringe benefits costs. Off-the-job injuries comprise an even larger share of employer health care spending, 87 percent.

Employers are looking for ways to decrease their own health care spending and protect their employees from motor vehicle crash injury. It's a profitable investment of time and resources. Employers lose productivity when employees suffer injuries preventing them or their co-workers from working at full capacity. The bottom line is that crash prevention is good business. A comprehensive traffic safety program saves \$50,000 for every million vehicle miles of travel, the report estimates. It also includes annual employer costs of motor vehicle crash injuries by expense category for each state.

For a copy of *Traffic Safety and Health Care: State and National Estimates of Employer Costs*, (13 pgs) prepared by National Public Services Research Institute, contact the Office of Alcohol and State Programs, NHTSA, NTS-20, 400 Seventh Street, S.W., Washington, DC 20590, (202) 366-9372, or send a fax to (202) 493-2088.

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