

Where prevention becomes ROI in manufacturing

Preventable workplace injuries cost U.S. employers more than **\$176 billion** each year.¹ These incidents not only put employees' lives, health, and morale at risk, but also result in lost productivity as well as medical and administrative expenses. For industrial firms confronting narrow margins and a tight labor market, these losses can make it hard to stay competitive.



356,191

on-the-job injuries, illnesses, and fatalities in manufacturing in 2023²

391

workplace fatalities that year³

74

lost workdays per employee injury on average⁴

\$43,000

average cost of each employee injury requiring medical consultation¹

\$1.4M

average cost of each workplace fatality¹



Workplace accident

A plant operator sent to inspect the sensors on a malfunctioning robotic arm forgets to initiate the lockout sequence before approaching the machine. The robot activates suddenly, pushing the employee into a conveyor belt.



Impacts



Employee injury

The operator who was hurt by the robotic arm needs medical treatment and is entitled to compensation.



Production delays

Repairing the equipment involved in the incident and making operational changes result in stalled production.



Litigation

Some details about the cause of the accident are contested, creating a complex legal situation and delaying claims processing.



Insurance premium increase

Losses and claims resulting from the incident cause the manufacturer's insurance carrier to adjust its policy, increasing premiums.



Regulatory penalties

A third-party auditor finds that mandatory protocols weren't followed during the incident, and the company receives a citation.



Negative media coverage

News of the incident leaks to the press, tarnishing the company's reputation and hiring efforts lag due to community knowledge of the incident.



How an Integrated Risk Management (IRM) approach can help



Environment, Health and Safety (EHS)

Immediately report, investigate and manage the incident within the software.

Track training to ensure that all workers are taught to initiate the lockout sequence before approaching the robotic arm.

Enable employees to report hazards (such as untrained workers performing equipment inspections) before incidents like this one take place.



Risk Management Information System (RMIS)

Consolidate all claims data about the incident to simplify workflows, streamline reporting, and improve outcomes.

Leverage safety's root-cause analysis, demonstrating to your insurer that your company has greatly reduced the risk that it will happen again.

Establish a single source of truth, saving time and effort for legal and risk management teams.



Governance, Risk and Compliance (GRC)

Update corporate policies to prevent this type of incident from taking place in the future.

Gather information for audits and regulatory reviews.

Establish and follow a business continuity plan that lets you return to normal operations as quickly as possible.

Follow a strategic communications plan, letting journalists know that you've put safeguards in place to keep this kind of accident from happening again.



Beyond cost savings: Smarter risk management powers resilience

A serious incident like this one, in which a worker is injured when struck by an object, can cost more than **\$250,000** in lost wages, medical expenses, administrative costs and other compensation.⁴

If an IRM approach prevented 5 similar injuries, you'd save **\$1.3 million**.

Adopting a modern approach to risk management — one that's unified, holistic, consistent, digital-first, and proactive — can do more than simply reduce the chances that incidents will occur in your company's plants and facilities. IRM also mitigates regulatory risk, reduces downtime risk, and helps you build an organizational culture of safety. Plus, it gives you real-time insights that can transform risk management into a driver of business resilience and growth.

[Learn how your manufacturing organization can improve its approach to risk management.](#)



¹ National Safety Council, Work Injury Costs, 2023.

² Occupational Safety and Health Administration (OSHA), Work-Related Injury & Illness Summary 2023.

³ U.S. Bureau of Labor Statistics, Economic News Release, Fatal occupational injuries by industry sector and selected events or exposures, 2023.

⁴ Travelers, The 2025 Travelers Injury Impact Report.