



Disabling Dangers on the Farm with Insurance Options

00;00;03;09 - 00;00;05;25

Eva

Hello. Welcome to the Farm Commons podcast.

00;00;06;09 - 00;00;15;22

Kate

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00;00;16;12 - 00;00;27;06

Eva

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00;00;27;21 - 00;00;34;26

Kate

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00;00;45;28 - 00;01;12;10

Eva

Hi, everyone. Welcome to the Farm Commons podcast. It's Eva here and we've got an important new topic that will be exploring in this episode, and that is managing health and safety on the Farmer Ranch, specifically disabling dangers that lead to lost digits and limbs and providing you with key ways to manage those risks. And I'm here today back with Rachel to get into it.

00;01;12;23 - 00;01;14;08

Eva

Hi, Rachel. How's it going?

00;01;15;09 - 00;01;18;06

Rachel

Hi, Eva. Hi, everybody. I am doing good. How about yourself?

00;01;19;06 - 00;01;45;29

Eva

Pretty good. Happy to be here, as always. And down here in North Carolina, lately, the weather has been so wonderful. So I've been getting out for some long distance trail runs. But, you know the topic of this convo with injuries on those trails, there are lots of roots and rocks. So potential for injury is pretty high. So I'm feeling the nature of this topic in me.

00;01;46;21 - 00;02;50;19

Rachel

I imagine so. I bet there are some training techniques and things that you use to manage that, but I'll admit I don't know much about that. I am not a trail runner. My primary form of exercise here in Duluth is definitely a moving snow. That's actually something I think that really relates to today's topic as well. Where where I am specifically here in Duluth, we have had record setting snowfall and all the farmers are dealing with that. You know, the snow falls on their hoop houses, their shed roofs, and it can be it can be dangerous not just if it slides off, but it can cause collapse and and, you know, other infrastructure problems. So definitely it ties back into injury management. Our topic today and what we can do about those in terms of, you know, financial risk and other losses, not just literal injuries, but but I'm sorry, not just how to prevent injuries, but how to keep the fact that injuries do happen from becoming an even bigger problem for the farm.

00;02;51;26 - 00;03;20;04

Eva

Yeah, absolutely. And farming is inherently a risk with, you know, more roots and rocks and snow and all the rest to worry about. And that can sometimes lead to open wounds, broken bones and lost limbs, which, you know, we have actually gotten into actual injuries on the farm and ranch and our podcast. But injuries to owners are common and accidents do happen while at work.

00;03;20;04 - 00;03;27;28

Eva

And so we want to make some space to get into what managing the risk of those those injuries, broken bones, lost limbs can actually look like.

00;03;28;22 - 00;03;59;15

Rachel

Yeah, definitely definitely. You know, to build on our snow example, folks out here, you know, if they have a hoop house that that's set up and they're getting in there to do some some seeding, they've probably been trying to clear the snow from the sides of the hoop house for for some months now. And for anyone who's used a snowblower, you know that occasionally they will they will jam and you've got to, you know, try to get in there and clear the the clogged snow from the equipment.

00;03;59;15 - 00;04;13;08

Rachel

And, you know, bad things can happen. I'm sure you can imagine, you know, the equipment can malfunction, mistakes are made and you can even lose a finger or worse. So it's something that happens no matter the season or the needs on the farm.

00;04;14;05 - 00;04;38;00

Eva

MM Yeah, for sure. Injuries like that lost digits or limbs, it can really impact the business and with that the farmer or ranchers future livelihood. So that's why we're going to share some avenues for recovery if and when this happens to you or someone in your farming community so that you can manage this risk for yourself and also help your peers manage it.

00;04;39;05 - 00;04;50;24

Eva

And a key question to keep in mind as we go through this exploration is what kind of coverage do you have for work related injuries right now?

00;04;51;26 - 00;05;21;22

Rachel

Totally, totally. And I think one of the key things you said there is work related injuries. We're talking about injuries that occur in the course of self-employment. So that means like not when you're recreating or having a good time, although definitely farmers in our line of work confuse recreation with work. But we are we are definitely limiting today's conversation to injuries that happen while at work, like working for your farm or ranch business to do, you know, earn your income.

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Rachel

Accidents happen with, you know, PTO tractor trailer hookups, trailers get unhitched. It's a malfunction. I mean, all sorts of things. We know that the first thing we are going to take a look at is what does your individual health insurance cover? Get to take a look at your policy to see if it excludes injuries from self-employment. Now, this is the case, whether it's a policy that you purchased on the marketplace or if it's a policy that you have through your own or your spouse's employer.

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Eva

Yeah, I know for myself how hard it can be to get the answers in terms of what does my individual health insurance cover right now? And for suggestions on how you can look into that for yourself listeners out there is to check your policy and the ways that you can do that are if you have a spouse who is providing you with health insurance coverage through their employment, you can ask your spouse to ask their h.r.

00;06;32;01 - 00;07;09;05

Eva

Person or department for assistance in looking into what that individual health insurance policy covers. And if the health insurance policy that you have is not through spouse's employer but like through a health care provider, the marketplace check and see if your provider has a help line phone number and consider calling them with your questions. And if neither of the above applies or works out for you, try to get your hands on the actual policy and read it.

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Rachel

Yeah. Yeah. Sometimes it does come down to reading the policy, which can be painful, but it's also an important exercise. If it is your only path to discovering what's covered, it should be fairly apparent. It should say something like, you know, does not cover injuries from self-employment. And if you don't find that, that's a great if you don't find that it's excluded, you can probably assume that you do have coverage.

00;07;39;19 - 00;07;57;09

Rachel

But even if you do have coverage for injuries from self-employment through health insurance, you may still have something to gain from getting additional coverage through worker's compensation, disability and or life insurance. It's really just a matter of assessing the risks to your farm and deciding if more protection is worth it to you.

00;07;58;23 - 00;08;35;28

Eva

Yeah, and we actually do a cost benefit analysis of health insurance coverage versus worker's compensation coverage for the farm farmer or rancher. So not your employees, but for yourself. In a previous episode that is called Strategies for Recovering Yourself from the Risk of Injuries on the farm or Ranch. But like you said, Rachel, we're focusing on the decision of whether or not to cover yourself with a worker's comp policy or even disability or life insurance.

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Eva

In addition to that, that private health insurance, if you find that, you know, injuries from self-employment are excluded?

00;08;44;14 - 00;09;11;03

Rachel

Yeah, definitely. So if we start with worker's comp, start with that subject, especially if you find you don't have coverage through your health insurance policy, then definitely consider getting worker's comp because then you will have coverage for injuries that occur at work. But even if you do, let's talk through a few reasons why you might still want coverage through worker's comp.

00;09;12;10 - 00;09;41;24

Rachel

Lost wages are an important one. Your health insurance policy doesn't cover lost wages because you got injured transportation to doctors appointments. So mileage you know any any other transportation needs that you might have prescriptions. Too often our private health insurance doesn't cover the prescriptions that we need or cover them enough. Other aspects of our medical bills and equipment that we might need may not be covered under health insurance, but would be under worker's comp.

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Rachel

But another bigger one is that worker's comp can come with benefits for the loss of digits, fingers, limbs and God forbid, loss of life as well. The the compensation is designed to compensate you for having, you know, going through the rest of your life without, you know, one of your fingers or or, you know, as the case may be.

00;10;07;22 - 00;10;31;29

Eva

Yeah. And that really puts it into perspective like, you know what, what are we covering? Well, the lifetime consequence of missing a digit or a limb. And I can see

how that coverage could be very useful to a farmer or rancher, especially if the business operation relies on their physical health, like its primarily like just the farmer or rancher running the operation.

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Eva

You know, not much. Not much in the way of a work crew. It's mainly them shouldering the success and survival of the business. And so that really means a loss finger or limb or other digit could have a huge impact on the operations of the business, the ability for the business to exist and prop profitability moving forward.

00;10;56;02 - 00;11;23;15

Rachel

Right, Right. It can mean needing different equipment, needing different procedures. And all of that can change operations and and profitability. Believe it or not, there is actually a set of tables, you know, an index of the kind of money that is associated with lost digits and limbs. Definitely on the like grotesque side, but important to know that this exists.

00;11;23;29 - 00;11;48;18

Rachel

So maybe maybe our listeners have an uncle or a grandma that is missing, you know, a digit or another family member perhaps, who worked on a farm, if you think of them and what the loss of that finger or limb means, it can play into your choice to get worker's compensation. So you know, the value of their lost income and quality of life due to this is measurable.

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Rachel

And folks out there, not me, but somebody has this job, they collect data and set dollar amounts for these losses. So, you know, they do the analysis, quantify the impact of not having a finger throughout a lifetime. And then and then they even differentiate that the the dollar value that is assigned to like losing a thumb versus losing a pinky because, you know, they have a different effect.

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Eva

Okay, listeners, if your jaw just dropped, what Rachel is sharing. It's true. She's not lying. There is an actual public tool on a platform called public that is titled Worker's Comp Benefits. How much is a limb worth? And this is an interactive tool that you can Google or, you know, we'll include a link to it in the show notes.

00;12;44;05 - 00;13;13;08

Eva

You can check it out there and explore for yourself to see what a lost digit or limb is actually worth in your state. Using averages. So, you know, my very don't take the amounts in there as set in stone. But just to give you an idea of what you can expect worker's comp benefits to provide by limb. So just as an example, back when I was farming, I was building a lot of tables for seating in the greenhouse.

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Eva

And so I had, you know, my two by four studs. I was using a circular circular saw to cut wood and I was pretty careful. But one day I was cutting wood into the night, trying to get some tables finished before the next day. And I did nick my ring finger using the saw, but thankfully it was not too bad.

00;13;34;04 - 00;13;58;01

Eva

But looking at the workers comp benefit tool, just clicking around selecting my ring finger. If I had cut it clean off, I could have expected worker's compensation to cover me for something in the range of \$23,000 on the high end in North Carolina, which is the state that I'm in for the lost lifetime benefit of my ring finger.

00;13;59;24 - 00;14;18;04

Eva

So the tool also shows the national average of loss, lifetime benefit of a ring finger being \$14,660. So I guess according to the data, North Carolina is a relatively good state to cut my ring finger off during work.

00;14;18;11 - 00;14;46;18

Rachel

And I guess I can't believe we're having this conversation right? I guess I guess things are looking good in North Carolina for everyone with ring fingers. So it does really help to put things in perspective, though, that there really is a dollar value that is attached to these things. I mean, in all seriousness, though, no one wants to lose any fingers at all.

00;14;47;07 - 00;15;05;29

Rachel

One of my friends has only half of her index finger, and it was the result of a haying accident. And I'm sure if I asked her, would you like the money or do you want your finger back? I think I know what she would pick. So it's probably a good a good point to pause in our conversation and say, well, look, I mean, nobody really wants to be here.

00;15;06;04 - 00;15;29;03

Rachel

Let's let's run through a few quick safety exercises that we can all do to make sure that we don't have to actually be considering how much money we're going to get for our finger. A few key things. Cut the power, turn off the machine before you service it. You never know what sort of crazy thing is going to happen and that that can go a long way.

00;15;29;10 - 00;15;59;26

Rachel

Keeping you safe. Keep those guards and those shields that come factory installed in place. And after you service the equipment, put them back. I've been there. I know how easy it is to just like, Hey, I got to get back to work, but put those back because, you know, missing a digit is is is going to really hold you back, know, and

follow the recommended best practices for your PTO unit, your trailer use and other hazardous activities on the farm and ranch.

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Rachel

And there are some other you know we're not the authorities on how to be safe on the farm, although we really care about these issues. So we're going to drop a couple of links in the show notes as well. Folks like Agri Safe and and a couple of other agricultural safety centers that will get you all the good information as well as great things like pre formatted posters that you can put up to remind yourself and those that you care about about safety practices.

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Eva

MM Yeah. I appreciate you bringing in those practical safety practices that can be implemented on the farm to avoid. Yeah. Missing a finger or another digit and how practicing safety and good communication on the farm as to, you know, if you're working with someone else, when you are going to cut a machine off and going into service it, working as a team together and communicating about those best practices can work in tandem with having coverage through health insurance and or worker's compensation.

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Eva

So the two really work together and yep, just thanks for those recommendations, Rachel. In terms of, you know, our bread and butter, which is we cover more from like the insurance side of things, I have heard that disability insurance and also life insurance might be useful for managing these risks of injury to the farm or ranch operator. And so curious, What do our listeners need to know about how those coverage options work?

00;17;33;05 - 00;18;00;13

Rachel

Yeah, I'm glad we're talking about this because worker's comp isn't the right choice to elect coverage for every farm and ranch business owner. And so those that you know, where we have a choice whether or not we want to cover ourselves with worker's comp, sometimes it's not the right choice, but we do have other options. Disability insurance is as you know, private insurance that most folks can go out and buy.

00;18;00;13 - 00;18;13;07

Rachel

And it also provides a benefit for things like losing a limb, acquiring a chronic illness or other debilitating condition that's going to leave you less able to earn your income over time.

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Eva

Yeah, that makes me think of some stories I've heard, just like other industries where, you know, say, like professional ballet dancers and NBA basketball players insure their legs for millions of dollars because they need their legs to perform. And I'm thinking, you know, just as a farmer or rancher does, like they need their legs to go out and do field work up on the tractor, make deliveries, all the rest.

00;18;39;20 - 00;19;01;06

Rachel

Yeah, Yeah. No, that's it. That's a good parallel, I think. I think the difference is that the ballet dancer and the basketball player, well, you know, they insure for millions of dollars because that's, that's what they make in money off of their legs. You know, I wish farmers were making quite that amount of money, but, you know, not exactly, but no worries.

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Rachel

Disability insurance is available to common folk just like us, and it offers, you know, set compensation for certain disabilities and time away from your work when you can't earn your income. And a lot of these policies as well, they function like most

things on the private market. You can select a higher value plan that will give you more for a longer period of time based on specific disabilities or less.

00;19;26;28 - 00;19;37;05

Rachel

If that is what suits your budget, you pay more to get more benefits or a minimum to get, you know, just the bare of what you would need to to get by.

00;19;38;29 - 00;20;04;02

Eva

Yeah, the bare necessities from the Jungle Book is coming to mind. Exactly that little jungle. But I do get sad though, at the thought of having all of your limbs come down to money like you mentioned earlier. But this is a reality that when acknowledged, we can use the tools that are available to us to manage and support a more positive outcome.

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Rachel

Exactly. Better to think about the risks and how to manage them than to be surprised in the end. So, you know, to help folks move forward. If disability insurance is sounding like a good strategy for for our listeners, there's a few things folks should know going forward. If you're in California, Hawaii, New Jersey, New York or Rhode Island, those states make available some coverage through public disability insurance programs.

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Rachel

But these are largely driven by the payroll system. And so if you aren't on payroll, if you're not getting a W-2 from your employer, whether that's your farm or an off farm job, you would have to opt. You may be able to opt in to the system, but again, you'd have to choose to do that. And again, it would have to cover for self-employment.

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Rachel

So get some details to look out there. Now for the, you know, the rest of us, those of us who don't live in those five states, we would need to proactively go out and buy disability insurance. You know, any insurance agent that sells common insurance policies for end consumers like us, great place to start. They can get you in the right direction, too.

00;21;15;09 - 00;21;24;11

Rachel

Exploring the disability insurance options that would help you recover from losing a digit, a limb or other chronic conditions.

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Eva

Yeah, I know. That's a great insight, Rachel. And listeners might find it appealing that you can adapt the amount of coverage based on your needs, your tolerances and also your budget for for the year or, you know, whatever period of time the the policies apply to whether that six months, 12 months, whatever. Now now for that third option.

00;21;47;01 - 00;22;06;14

Eva

So we've talked about worker's compensation and disability insurance. Now what about life insurance? Because generally term life insurance provides a benefit to beneficiaries that gets paid out when the policyholder dies. Is there something more there that could be utilized before someone passes away?

00;22;07;15 - 00;22;33;09

Rachel

Yeah, that is the typical scenario. Life insurance doesn't typically in its standard form, offer financial protection. If you experience injury resulting in a long term disability like losing a finger, it generally is going to pay out a death benefit amount when you die. However, in some cases, life insurance policies let you add on writers and things like that.

00;22;33;09 - 00;22;57;23

Rachel

You can add extra benefits that provide flexibility or disability income if you suffer a disability. So you can check into that and see, you know, if you have life insurance, you know, would you want to add on something that would cover you for disability? And of course, knowing that that would come at the cost of a higher premium.

00;22;58;19 - 00;23;26;16

Eva

MM Yeah, for sure. More coverage, higher cost, that's where it goes, right? You're not happy about it, but we're just telling you the facts Exactly. So before wrapping up here, we do need to point out what may be obvious, but maybe not. And that is the incentive to get coverage for lost wages that results from injuries in the course of self employment often entails showing an income.

00;23;27;13 - 00;23;59;00

Eva

So you've got to show income in order to get that income covered in the case that it is lost due to becoming disabled in some way. Whether that's losing a digit, a limb or some other chronic illness as a result of a work related injury. So underreporting income, which is something that does happen in agriculture businesses, makes it harder to take advantage of any insurance that covers you for lost income like worker's compensation.

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Eva

And you know, it's worth also sharing that under-reporting income can also impact other areas of business, such as passing on your business. So transitioning to the next generation or buyer of the business and also qualifying for financing can be tricky when underreporting income.

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Rachel

Absolutely. And I'm glad you brought that up here at the end, that if we're trying to cover for lost income, that that depends on what income we're showing you. Farmers and ranchers, you know what's best for where you're at with your needs and you know what goals you have going forward. You're in the driver's seat about what choices are right for you.

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Rachel

And we're here to support you with information that can help shed light on how those options work so that you can move forward.

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Eva

Absolutely. So to summarize, the best practices that we've covered today and consideration is for those practices. Remember your options. First, look to see whether your health insurance individual policy covers work, place injuries, and if not, next step is to consider whether worker's compensation coverage would be advantageous for you to cover your lost wages. Those wages that you're reporting, as well as lifetime benefit for lost digits or limbs.

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Eva

And also check out that ProPublica tool. If you need some inspiration and motivation, click around to the different body parts to see what you can expect from worker's compensation benefit to make the risk more real. But of course, you know, we hope those risks never come to pass. But if and when they do, you will be prepared. Also.

00;25;47;08 - 00;26;17;10

Eva

In addition to getting yourself covered through insurance, consider getting safety training and check out the free resources from organization Organizations like Agora Safe and others that we will include in this episode. Show Notes also Disability and Life Insurance with disability riders tacked on can be options to

further protect your ability to recover from a damaging accident on the farm or ranch.

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Eva

And lastly, a very exciting one that we are stoked to share with you. Keep an eye out for more health and safety resources for farm and ranch businesses coming to Farm Commons in late 2023. Thanks everyone for tuning in. Stay safe and keep growing your business.

00;26;38;13 - 00;26;39;10

Rachel

All right. Bye, everyone.

00;26;51;13 - 00;27;18;25

Kate

We're so glad you joined us for this episode of the Farm Commons podcast. If you're looking for more resources on your burning farm, your questions, visit our Web site at Farm Commons, dawg for a variety of workshops, guides, checklists, tutorials and more. You can also email your questions and comments to info at Farm Commons dorji. Stay tuned for our next episode and until then, keep growing.