



# VITALS

For Medical Transport Professionals

A Weekly Safety Newsletter

## Revenue Necessary to Pay For Accident Losses

This table shows the dollars of revenue required to pay for different amounts of costs for accidents. It is necessary for your service to generate an additional \$1,250,000 of revenue to pay the cost of a \$25,000 accident, assuming an average profit of 2%. The amount of revenue required to pay for losses will vary with the profit margin (as shown in the chart below).

YEARLY ACCIDENT COSTS	PROFIT MARGIN				
	1%	2%	3%	4%	5%
\$1,000	\$100,000	\$50,000	\$33,000	\$25,000	\$20,000
\$5,000	\$500,000	\$250,000	\$167,000	\$125,000	\$100,000
\$10,000	\$1,000,000	\$500,000	\$333,000	\$250,000	\$200,000
\$25,000	\$2,500,000	\$1,250,000	\$833,000	\$625,000	\$500,000
\$50,000	\$5,000,000	\$2,500,000	\$1,667,000	\$1,250,000	\$1,000,000
\$100,000	\$10,000,000	\$5,000,000	\$3,333,000	\$2,500,000	\$2,000,000
\$150,000	\$15,000,000	\$7,500,000	\$5,000,000	\$3,750,000	\$3,000,000
\$200,000	\$20,000,000	\$10,000,000	\$6,666,000	\$5,000,000	\$4,000,000

Accident Costs (Direct + Indirect) consist of any or all of the following:

### Direct Costs:

- Vehicle Damage
- Injury(s) Costs
- Medical Costs
- Loss of Revenue
- Administrative Costs
- Police Report
- Possible Effect on Cost of Insurance
- Possible Effect on Cost of Workmen's Compensation Insurance
- Towing Costs
- Storage of damaged Vehicle

### Indirect (Hidden) Costs:

- Lost Clients/Customers
- Lost Sales
- Meeting Missed
- Salaries Paid to Employees in Accident
- Lost Time at Work
- Cost to Hire/Train Replacement Employees
- Supervisor's Time
- Loss of Personal Property
- Replacement vehicle Rental
- Damaged Equipment Downtime
- Accelerated Depreciation of Equipment
- Accident Reporting
- Medical Costs Paid by Company
- Poor Public Relations/Publicity
- Increased Public relations Costs
- Government Agency Costs

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