

KEELSON Safety Summary

COST CONTROL THROUGH LOSS CONTROL

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You've worked hard to build your business. It has, no doubt, taken you a good deal of time, energy and commitment. Unfortunately, it is also a fact of life that just one unexpected event can have a serious impact on what you've worked on so hard to build. One accident, injury, lawsuit or criminal act can cause serious financial loss ... even though you're covered by insurance.

That's partly because the uninsured costs of a claim (the loss of your time, your employee's time, the interruption of normal operations, loss of customers, business reputation or image, etc.) can cost as much – or more – than the insured costs.

While each business is different and has its own unique style, operation, customer base and needs, several common loss control strategies can be used by all businesses to develop their own tailored loss control efforts. These strategies are:

- Management Leadership
- Incident Recordkeeping, Reporting and Analysis
- Inspection and Hazard Recognition
- Safety Training
- Emergency Preparedness
- Loss Control Audit

Management Leadership

Management's active involvement in the company's loss control efforts is essential. The best approach management can take to confirm its commitment to safety is through the development of a safety policy statement.

The Safety Policy Statement should:

- reflect management's attitude concerning safety;
- outline the company's approach to controlling losses;
- identify the authority and responsibility of personnel involved; and
- establish an accountability system.

A good safety policy makes it easier:

- to enforce safe work practices and conditions;
- for supervisors to implement company policy; and
- for employees to follow loss control rules and instructions.

Incident Recordkeeping, Reporting and Analysis

An important element to a cost effective loss control program is the establishment of an incident reporting and analysis system. An incident should never be a total loss since something can be learned from every occurrence. An incident recordkeeping, reporting and analysis program should consist of:

- Incident Investigation Procedure

Every incident should be investigated to document the occurrence, determine all causes, and initiate corrective action.

- Management Participation and Review

Management should review each incident investigation and provide input into corrective action as needed.

- Incident Analysis

Periodically, all incident investigations should be analyzed to determine trends and recurring problems and to determine further needed control measures.

- Regulatory Requirements

Certain incident reports are required to be reported to regulatory agencies, such as OSHA, EPA, FRA and DOT.

Inspection and Hazard Recognition

An inspection and hazard recognition program consists of the following basic elements:

- Self-Inspection
 - Management
 - Supervisors
 - Employees
- Job Hazard Analysis
 - New job tasks
 - New equipment
 - New employees
- Machine Guarding
 - Lock-out/tag-out procedures
 - Point-of-operation guarding
 - Personal protective equipment
 - Regulatory requirements

- Hazardous Work Operations
 - Welding and cutting
 - Spray painting
 - Sand blasting
 - Confined spaces
 - Hazardous materials

Safety Training

Employees must be educated in their responsibilities relating to loss control. They must see the need and have the desire to implement the safety procedures established by management.

Active employee participation in the loss control program will benefit management by:

- producing a reduction in losses;
- increasing employee morale and reducing turnover;
- and providing management with insight into safer procedures and better efficiency through employee suggestions.

All operations should have a planned employee training program to include initial education and refresher training. Specific subjects for employee training will depend on the operating and equipment hazards associated with each contract.

Emergency Preparedness

Every location of every business has the potential of undergoing an emergency situation whether it be related to fire, weather, catastrophic accident, or other emergency.

A good emergency preparedness plan should consider the following elements:

- inspection, maintenance and readiness of emergency equipment
- public relations and employee welfare
- evacuation
- facility protection
- first aid
- control of utilities
- pollution/decontamination
- communications with police, fire, medical, other
- transportation
- recordkeeping
- drills

Audit System

A loss control program is only as successful as its audit system. Most programs look good on paper, but only an audit will determine the effectiveness of its specific components, such as those summarized above. Management should set aside specific times to periodically conduct a documented audit the loss control program, and develop an appropriate action plan to correct those components that may be deficient.

For more Information

For more information on “Cost Control Through Loss Control” or other safety and health issues, contact:

Keelson Partners
1220 SW Morrison Suite 400
Portland, OR 97205
(503) 226-1422
Fax (503) 226-2488
www.keelson.com