

Health, Safety & Education in the Workplace

## A Primer on Loss Control

Critical to the risk management process at every company, is the loss control activities that consists of strategies and tactics aimed at preemptively reducing the severity and frequency of losses caused by accidents and occupational health. Systems and controls aimed at preventing losses, and if losses occur, effectively responding, can have a profound impact on a company's balance sheet.

Each company faces their own unique risks and challenges, and thus requires professional risk management processes and specialized loss control activities to address those. That said, there are also common exposures many businesses face in one capacity or another.

### Commercial Auto

Businesses with a commercial auto exposure must have a written safety policy that notes management's concern with safe driving. This policy should be provided to employees and periodically reviewed in safety meetings, and should address issues such as substance abuse, wearing seat belts, preventing theft, personal use of company vehicles, proper maintenance, and use of cell phones.

Additionally, written policies should also outline company procedures for proper vehicle inspections, emergency equipment, and accident response and reporting. All personnel should understand the expectations and be held accountable to adhere to this policy.

On the management side of commercial auto loss control, is the need to obtain motor vehicle records (MVR's) on prospective drivers, and conduct reference checks, driver testing, drug testing, and additional training if necessary. Vehicle inspection audits, recordkeeping, and accident investigations are all part of the larger effort to minimize the risks and costs associated with having employees driving vehicles to conduct business, whether company owned or personal.

### Premise Safety

Regular inspections of customer

areas is an important factor in preventing slip and fall or other injuries to the public on your premise. Properly identifying hazards, such as wet floors, and mitigating those risks by controlling foot traffic or use of throw rugs can prevent painful lawsuits. Insure good housekeeping and clean conditions are present and train employees to be proactive if they identify potential risks.

For worker areas, prevent unauthorized public access using fences, locked doors, and signs. Equipment or hazardous tools should be safely stored when not in use. Conduct regular in-



**Alaska Earthmovers LLC. President Brian Henrikson** values the professional risk management and safety support.

spections to verify required safety gear is properly being used where appropriate.

Critically important is need to assess potential fire hazards and take steps to mitigate that risk, including routine inspections of fire alarms, electrical circuits, and extinguishers. In the event of a fire, all personnel should be trained on proper use of extinguishers, executing the evacuation plan, and finding clearly marked fire exits.

### Off Premise Safety

Whether a construction contractor preparing to begin construction on a new project site, or a non-profit association hosting a weekend camp out, it's important to exercise vigilant safety inspections of the premise to prevent injuries, property damage and formulate evacuation plans.

A site safety policy should include

pre-activity planning, personnel orientation and training, supervisor training and planning, safety meetings, first aid and medical treatment, and procedures for documentation of inspection findings and accident investigations.

Initial inspections are important in identifying hazards, risks, and any prior damage present at the site. Additional security considerations should be taken into account, aimed at protecting others and your own personnel. Establishing on site authority personnel that understand how to react to certain events, prior to an occurrence, can greatly diminish the severity of a claim through effective response.

### Employee Safety

A written safety program, routine safety training, safety meetings and management involvement are critical components towards establishing a culture of safety within an organization. Additional considerations in minimizing unsafe behavior or conditions may include incentive programs, regular inspections, procedures for reporting unsafe conditions or behaviors, and follow up.

### Employee Threats

Any business that has employees, has a number of exposures and potential internal threats that require proper planning, systems and controls to effectively address those. Prevention of employee theft and fraud can be addressed through pre-employment screening, dividing up processes to more than one employee, having an inventory control program, and keeping check books and valuables locked up.

With increased unemployment and difficult economic times, comes more employment practice liability claims (ie. sexual harassment, discrimination, etc). Regular human resource audits and training can effectively mitigate many of those exposures.

### Burglary, Theft & Vandalism

Premise alarm systems, keeping valuables locked up, having well lit

areas, training personnel to react to specific situations, and other security measures can help minimize the exposure of burglary, theft and vandalism, that cost business owners millions of dollars each year.

### Disaster Preparedness

Having a written emergency preparedness plan can greatly minimize the adverse effects of an emergency or disaster on business operations. Having off premise backup systems for accounts receivables, software, client records, contracts, insurance policies, certifications, contact lists, and other important documents can be key to a quick recovery.

### Summary

The above recommendations are but a brief primer, on a topic that could literally encompass this entire publication and more. If even one reader is stimulated to look at their own exposures and loss control systems as a result, we've all benefited.

### Risk Management Professionals

Over the last fourteen years, Business Insurance Associates, Inc. has conducted risk exposure assessments in conjunction with an untold number of clients. Operating within a total cost of risk model, our account executives understand that risk transfer through insurance only represents a piece of the puzzle, not the totality of it. Contact our brokerage today to request a no-cost, no-obligation risk exposure assessment and loss control recommendations. It's our commitment to make the community a safer place, and protect the business owners that drive this economy.

### Brokerage Overview

Business Insurance Associates, Inc. is an independent commercial insurance and surety brokerage located in midtown Anchorage. The current staff includes three certified Construction Risk Insurance Specialists (CRIS) and one Management Liability Insurance Specialist (MLIS) with the International Risk Management Institute (IRMI), one Associate in Risk Management (ARM), and two Certified Insurance Counselors (CIC).

We retain current membership with Associated General Contractors (AGC), Associated Builders & Contractors (ABC), Construction Financial Management Association (CFMA), National Association of Surety Bond Producers (NASBP), Anchorage Home Builders Association (AHBA), Anchorage Chamber of Commerce, Better Business Bureau, Green Star, Business Network International (BNI), and Professional Insurance Agents (PIA).

### Go Orange and Go Green

With an emphasis on professional risk management and safety support, Business Insurance Associates, Inc. works diligently with our clientele to lower the total cost of risk, protect personal and corporate assets, and insure long term viability. The result is a greener balance sheet, and that's a movement everyone can get behind.

**Business Insurance Associates, Inc.**

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