



Risktopics

1-1.001 December 2007

Developing an effective loss control program

Unnecessary expenses can be controlled through implementing, maintaining, and supporting an ongoing safety program.

Introduction

Accidents cost you money . . . not only through direct costs, such as medical and compensation expenses, but in indirect costs as well. In fact, it is the indirect costs that can really add up. Indirect costs result from those hidden factors on which a dollar value cannot easily be placed, such as production, time, employee morale, and customer goodwill. If lost, these items can easily cost you anywhere from 1 to 50 times the direct costs. Therefore, whether or not an accident results in personal injury and/or property damage, they are expensive and can significantly cut into your operating costs.

Safety programs have proven effective in preventing and controlling accidents, reducing operating costs, increasing efficiency and productivity, and improving employee morale and public relations. Developing an effective loss control program is not an easy task, and the results may take some time to show up. However, through perseverance, a strong desire, and management commitment, the benefits will reveal themselves, justifying the expended time, resources, and efforts. Significant dollars can, and will, be saved in compensation and other costs through implementing a safety program suited to your needs.

Loss control program elements

Those elements typically found in a general safety program are discussed below.

These elements offer a very basic guideline. Other, more specific programs may also be necessary, but at a minimum, any or all of these can be adopted to suit your facility's needs:

- Company safety policy
- Safety rules and regulations
- Duties and responsibilities
- Employee selection
- Employee orientation and training
- Facility inspections

- Job Safety Analysis (JSA)
- Accident investigations
- Safety committees
- First aid
- Personal Protective Equipment (PPE)
- Recordkeeping

These program elements provide management with clear direction and a methodical approach to controlling losses. They can also help employees realize management's expectations of them with regard to using safe work practices.

When implementing a Loss Control Program, it is not advisable (or practical) to introduce all of these elements at once. Doing so may only serve to overwhelm, confuse, and frustrate personnel. It is important to implement these elements into the normal work activities in a manner that allows employees time to absorb the information and adjust to any necessary changes as a result. This will allow the program to become an integral part of the work ethic, rather than merely a "paper" program.

Program elements should be introduced on an "as needed" basis. This is easiest done by analyzing your losses. For example, if your loss analysis reveals numerous accidents resulting from unsafe conditions, you may need to develop and implement a facility inspection program to control this problem. Regardless of the program element being introduced, management's commitment to the health and well-being of employees is paramount to the success of the program. This should be the primary thread running throughout the program to give it substance. Therefore, the elements to introduce first are those that exemplify management's support and involvement. These needs can be addressed in a company safety policy and in safety rules and regulations. These are essential program elements that should be developed and in place before any of the other program areas. These two areas make the program legitimate, provide guidance, and offer a means to justify any necessary disciplinary action.

A brief description of the purpose and objectives of each loss control program element is discussed below:

Company safety policy: A safety policy statement should be written and publicized by top management to demonstrate their support for employee safety. It should communicate the message that safety plays a key role in the organization's welfare. This element lends credence to the safety program.

Safety rules and regulations: Safety rules and regulations are developed and enforced primarily to reduce or eliminate personal injury and/or property damage caused by unsafe work practices. Rules and regulations should encompass both general (company-wide) and specific (departmental) requirements. Although safety rules and regulations are meant to promote safe work practices, they can also justify disciplinary action to change or modify poor or unsafe work behavior.

Duties and responsibilities: Every employee has a responsibility toward safe job performance. The duties and responsibilities, including safety expectations, should be developed and incorporated into the job descriptions of all employees and management. This will provide specific direction and assign accountability for conducting work activities in a safe manner and supporting the overall safety commitment.

Employee selection: An effective employee selection program can improve overall job performance by selecting the right person for the job. Effective employee selection starts with well-defined and objective requirements for each job. The applicant's ability to meet these requirements can then be determined through a variety of resources, including the initial application, the interview process, reference checks, written tests, physical examinations, and probationary periods, to name a few examples.

Employee orientation and training: Employee orientations should teach new employees the fundamental aspects of safe job performance, in addition to the skills required to perform a particular job. Safety indoctrination is an important part of the orientation process as it instills a positive attitude toward safety from the first day on the

job. Employee training is also a significant element of a safety program, because it keeps safety in the forefront. Training should be directed at new employees, employees placed in new positions, and employees displaying poor or unsafe work practices. Safety training that highlights the job hazards can have a positive impact on job performance and productivity.

Facility safety inspections: Inspections should be an integral part of a safety program. They are important in identifying and correcting workplace hazards. Inspections should be directed at identifying both unsafe work practices and unsafe physical conditions. All inspections should be documented in writing and submitted to appropriate personnel for corrective action. A follow-up procedure should be developed to ensure that corrective action is completed in a timely fashion.

Job Safety Analysis: Job safety analysis (JSA) is a valuable tool used to review specific tasks in order to identify potential hazards associated with the task. Once the hazards are known, solutions can be developed and incorporated into the job procedure to eliminate or control the exposure. JSAs promote safe job performance by providing employees with increased safety knowledge, establishing safer job procedures and developing safer working conditions.

Accident investigation: Although accident investigations are performed after the accident has occurred, it is important to learn from our mistakes. The purpose of accident investigations is to uncover the true accident causes in order to prevent the recurrence of similar accidents. When properly used, the investigation can improve employee morale and promote safety by showing management's concern for the employee's well-being.

Safety committees: The basic function of a safety committee is to create and maintain interest in safety and health and thereby help reduce accidents. Safety committees should include both supervisory and non-supervisory personnel who are selected to serve on a rotating membership basis. These committees allow management to delegate some of the safety program functions.

First aid/medical activities: A physician should be consulted when establishing first aid and medical procedures and when determining which first aid supplies to maintain. A minimum of two employees trained in first aid and CPR techniques should be available on each shift. Effective first aid/medical procedures help reduce the potential severity of accidents by providing initial treatment and care of minor injuries, as well as by providing first aid care of more serious injuries until advanced medical help, i.e., physician or hospital care, can be obtained.

Personal Protective Equipment (PPE): Use of appropriate personal protective equipment is mandatory when hazards cannot be eliminated through engineering controls/safeguards. Personal protective equipment can be used to limit exposures and exposure time to a variety of physical, chemical, biological, and process hazards. An effective program would include equipment selection, employee training, and equipment maintenance procedures.

Recordkeeping: Good recordkeeping practices are fundamental throughout the entire safety program to document a variety of safety activities and to maintain loss information. Records of accidents, accident investigations, first aid, safety committee meetings, employee training, and facility inspections, should be maintained.

Summary

A successful safety program for any organization must have management support. Management's active role in the program will demonstrate a genuine interest in the safety and health of its employees, which in turn will help promote a positive safety attitude among employees. A safety program should be tailored to suit each facility's needs.

Maintaining an effective safety program is an ongoing process. Frequent evaluations of safety activities are necessary to ensure they continue to address needs. Whenever new processes or equipment are introduced, or

loss experience increases, the program may need to be modified or expanded. An effective safety program can reduce or eliminate personal injury and/or property losses. The benefits received will result in decreased operating costs.

Zurich Services Corporation

1400 American Lane, Schaumburg, Illinois 60196-1056
800 982 5964 www.zurichservices.com

Zurich Services Corporation
Risk Engineering



ISO 9001:2000

Quality-Assured Solutions Provider

The information in this publication was compiled by Zurich Services Corporation from sources believed to be reliable. We do not guarantee the accuracy of this information or any results and further assume no liability in connection with this publication, including any information, methods or safety suggestions contained herein. Moreover, Zurich Services Corporation reminds you that this publication cannot be assumed to contain every acceptable safety and compliance procedure or that additional procedures might not be appropriate under the circumstances. The subject matter of this publication is not tied to any specific insurance product nor will adopting these procedures insure coverage under any insurance policy.

©2007 Zurich Services Corporation

