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Developing a Loss Prevention Program

Loss Control Bulletin

Companies develop written quality control programs to control the cost of production errors, fleet maintenance programs to prevent product delivery interruption, and building maintenance programs to prevent mechanical equipment failure. Development of an effective, formal Employee Safety Program controls injury related accident costs. Top management's return on this investment includes controlling direct and indirect accident costs, increased productivity by keeping employees on the job, and bettering company morale through mitigating employee pain and suffering.

Development of an Employee Safety Program starts with top management. The level of support from top management will determine the success of the program. Program planning, goal setting, assigning of responsibilities, and monitoring program performance are key top management initiatives.

Management will:

- Explain the purpose of the program, why it is needed, what is to be accomplished, and how it will be measured. This will determine the depth and scope of the program.
- Publicize the program by issuing an annual written policy statement issued by the President of the company and sending to all employees. The policy statement outlines the objectives for the year and states the accomplishments of the prior year. This statement communicates management's determination to achieve program goals and provide a safe workplace.
- Create a culture that stresses safety as everyone's responsibility including top management, middle management, supervisors, and the front-line worker. Each area has specific responsibilities to the Employee Safety Program. Safety is not the sole responsibility of the Safety Director or Safety Coordinator.
- Set aside time needed to implement safety responsibilities to all levels of the company. Affording time to the program contributes to effective participation in safety program elements, including attending training sessions, serving on safety committees, conducting self-inspection programs, accident investigation procedures, and general safety promotion.

Building the Program Through Planning

The planning stage determines the safety topics to be addressed within the Employee Safety Program. Begin with a review of what program elements are currently in place and the effectiveness of these elements. Consider the method of hiring and training new workers, the existence of facility self-inspection programs, the effectiveness of accident investigation procedures, and return to work programs. Determine the challenges the company faces in implementing an effective Loss Prevention Program. Consider whether the company has the appropriate management resources in place to implement an effective program. If not, determine measures needed to get qualified people into these positions. Once the management structure is in place, move onto evaluating your existing safety hazards and adequacy of controls. Evaluate your compliance with OSHA-mandated regulations, laws, and industry standards. Include the continual assessment and prioritization of risk from your processes. This will help in identifying and eliminating more serious hazards when they are first discovered.

Setting Goals and Objectives

Establish goals and objectives to address priority hazards. Begin with a hazard that has greater opportunity for risk control. As you work through the prioritized list, establish the objective, assign responsibilities, provide resources, and set a target date for reducing or eliminating the hazard.



Program Elements for Hazard Determination

There are several components to a Loss Prevention Program that help in determining and addressing the hazards in your processes. These programs include conducting:

- Accident trend analysis by reviewing accident records such as your calendar OSHA 300 logs, insurance carrier loss history reports, and internal accident investigation reports to identify loss trends by department, shift, job task, day of week, or other variable.
- A self-inspection program identifying unsafe conditions in the work environment and unsafe acts employees commit while working
- Ergonomic assessments of workstations identifying risk factors attributing to cumulative trauma injury
- Accident investigation procedures requiring the prompt reporting of incidents and timely incident investigation. Efforts focus on employee injury accidents, property damage only accidents, and near-miss accidents.
- A return to work program to bring injured workers back to the workplace more quickly
- Emergency preparedness through the implementation of first aid/severe injury procedures, fire evacuation, and severe weather and hostile visitor procedures
- Employee input gained from surveys, a suggestion box, and/or comments to the safety team
- Health assessments by third-party providers

Controlling Hazards

Once hazards have been identified and analyzed, determine corrective action through the Hierarchy of Controls:

- Elimination
- Substitution
- Engineering Control
- Administrative Control
- Personal Protective Equipment (PPE)

The higher the control, the greater the preference. Elimination of the hazard is the most preferred approach with Personal Protective Equipment (PPE) the least preferred.

Training

Provide a training program addressing all aspects of the workforce. Tailor training specifically to the workforce, including newly hired employees, existing workers, and supervisors. Training should include:

- New employee safety orientation and job-specific training/mentoring
- Existing employee training when transferring to a new department or job change within the department
- Injured employee training when entering a temporary, modified job as part of a return to work program
- Supervisory training in Employee Safety Program procedures including accident investigation procedures, return to work program responsibilities, and self-inspection program
- Continual general safety training program for the entire workforce



Communication

Implement procedures to ensure communication between different levels of management and between different departments regarding safety initiatives. Communicate:

- The date and time of the self-inspection program and general employee training sessions
- When outside contractors are coming onto the premises (e.g., maintenance workers, landscapers, and janitorial services) to protect employees and contract workers from injury. Conduct legal counsel review for appropriate risk transfer arrangements prior to contractor arrival including use of written contracts with an indemnification clause, waiver of subrogation, certificates of insurance, additional insured status, etc.
- Pre-planning review for new equipment or process installation analyzing potential hazards to employees, contractors, or property damage during millwright operations. Training of employees on the new equipment or process.

Loss Prevention Program Review

A Loss Prevention Program requires periodic review to evaluate its effectiveness and to determine if it needs to be updated. New equipment installations and new processes or changes in existing processes will require a safety evaluation to identify new exposures and to implement controls.

Documentation

Develop documentation procedures relating to the Loss Prevention Program. Documentation serves as a permanent record of program implementation, due diligence in accident trend analysis, training topics, and actions taken to address accident trends. Records may document:

- Training
- Safety Committee meetings
- Hazard determination, such as self-inspection program records
- Hazard controls
- Employee communications
- Accident investigation corrective action implementation
- Return to work assignments
- Safety program audits

IMPORTANT NOTICE - The information and suggestions presented by Umialik Insurance Company in this Technical Bulletin are for your consideration in your loss prevention efforts. They are not intended to be complete or definitive in identifying all hazards associated with your business, preventing workplace accidents, or complying with any safety related, or other, laws or regulations. You are encouraged to alter them to fit the specific hazards of your business and to have your legal counsel review all of your plans and company policies.