

# Farmers®

## Loss Control Program Basics

Accident  
Investigation

Hazard  
Control

Inspections

Training

Employee  
Selection

Communication

Management  
of Loss Control



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# Your Loss Prevention Program

Your goal is a “safe working” environment for your employees and non-employees.

**Farmers loss control department has developed this guide to:**

- Help you perform an evaluation of your present loss control efforts
- Help you identify where changes are needed
- Help you establish or refine your program

# Management of Loss Control

## “You obtain only what you expect to obtain”

You, as a member of management, must be committed to the loss control concept. By signing a Safety Policy, you acknowledge your support for a program that requires the active involvement of all employees.

## What is loss control?

Loss control is the control of expenses that will affect your ability to compete in today's market. It is the proper application of business techniques and skills to control losses to employees, products or equipment.

## When is a loss control program needed?

Effective loss control needs an ongoing program that:

- identifies goals
- determines where the responsibility lies
- follow-ups continually to ensure Company objectives are met

You must stay personally involved to keep others focused and to oversee the activities you can delegate to your staff, such as inspections, accident investigation and training of employees.

## Steps to success:

1. Prepare and distribute a loss control policy statement
2. Set objectives and formulate programs/procedures to accomplish the objective
3. Define the responsibility of management personnel
4. Assign responsibility
5. Establish appropriate controls to ensure compliance with the program procedures

# Communication

The success of your loss control program depends on how well each person is aware of the objectives and how the objectives are to be met. Proper communication is the key. Lines of communication must be established. And, communication must be timely.

## Communication involves:

- Input to develop the criteria and goals for your program
- Feedback to determine the program's effectiveness

If communication is seen as welcome and rewarding, more employees will voice their concerns so you can effectively act upon them.

## Steps to success:

### 1. Publicize your objectives

Publish and personally present the objectives and details of your program.

### 2. Include everyone in your communication network

Everyone must understand their part in the communications network and how important it is to effectively communicate their concerns.

### 3. Train – and retrain

The success of your program depends on the employees' continuous awareness of the value of loss reduction and how it relates to each employee. Your training program must reinforce the employees' responsibility for voicing their concerns. Make your supervisors aware of the need for planned follow-ups.

The success of your program depends on ongoing training on the value of loss reduction and how it relates to each employee. Each employee must be aware they are responsible for voicing their concerns.

### 4. Judge your communication's effectiveness

You must supply the appropriate forms and recordkeeping procedures to support and document communications. You need to have regular meetings to discuss loss control activities and respond to employee's concerns.

### 5. Use the information

Again you need to use the information you gain through the communications network. This is your chance to acknowledge improvement in status report and reward performance.

# Employee Selection

## Physical demands of the job:

Each employee needs to be selected according to the particular job's requirements.

What are the physical requirements of the job? Ask the supervisor and the employees doing the job. They'll tell you how physically demanding it is.

A medical screening of new employees may be necessary. The extent will depend upon the job's physical demands. You can work with your Company doctor to develop a specific physical for each job title. The doctor can also determine the need for periodic re-examinations.

## Rules and regulations:

Each applicant must be assessed upon whether they are willing to accept Company rules and regulations.

Written rules will help new employees understand what is expected of them and how following these procedures will help protect them from possible injury.

## Steps to success:

1. Make sure the job description accurately defines the job requirements
2. If a medical screening is performed, make sure it reflects the actual job exposure
3. Make the doctor aware of the job exposures
4. Maintain complete personnel files on each employee
5. Familiarize the applicants with the job requirements

# Training

## Training is needed by:

- Supervisors to effectively fulfill their responsibilities
- Employees to have the knowledge and skills to do their jobs safely and efficiently

## Orientation:

New and transferred employees need to learn your loss control goals and practices right along with employee benefits and Company operations. They should learn from day one that your Company is committed to safety and that they will play an important part in keeping the work place safe.

## Job training:

You are well aware how specialized training prepares employees to do their jobs effectively. That training is incomplete unless it includes loss control measures.

Think how an inadequately trained employee might impact your operations.

- Injure the employee or others
- Adversely affect product quality
- Damage equipment
- Result in fines from regulatory bodies
- Damage the reputation of your business

## Successful job training includes:

- Identifying and communicating job hazards
- Teaching the employee the proper way to do the job
- Monitoring the employee's performance of the job

## Job Safety Analysis (JSA)

One technique for successful job training is the use of a JSA. This form provides the steps necessary for the employee to safely perform the job. The supervisor may choose to have the employee assist in identifying the job steps, potential hazards and key safety factors. Make sure these results are carefully reviewed because they control the potential for loss and provide continuity for future training.

# Training

## Management and supervisor training:

Managers and supervisors must be trained for their specific responsibility and held accountable for their activities and results. Accountability for meeting loss control goals must be consistent with the Company's goals.

A Farmers loss control specialist can explain the numerous activities that can be used to ensure employees are performing safely in the work environment. These activities are aimed at controlling possible losses.

## Performance evaluation:

Your employees' appraisals should reflect their efforts and contributions to controlling losses along with their job performance.

## Steps to success:

1. Develop and implement indoctrination procedures for new and transferred employees
2. Develop and implement job training procedures
3. Develop and implement training procedures for management personnel
4. Develop and implement measurement criteria for the effective support of the loss control program?
5. Establish management controls to ensure the effectiveness of the procedures implement

# Inspections

## Why?

Documented self-inspections protect you in at least two ways:

By detecting unsafe physical conditions.

By detecting unsafe work habits/behavior.

All too frequently the inspection process has focused entirely upon the physical environment; yet, the majority of costly injuries and lost time results from employee actions.

## Who?

The inspections should be done by the person deemed qualified by virtue of their training and familiarity with the work environment.

Usually, the Supervisor in charge of the area will perform the inspections.

## How?

A form must be developed for each department. The person performing the inspection needs to identify and show what unsafe acts/conditions must be corrected. After the correction is made, follow up is needed to see if that action accomplishes its purpose.

## What type?

Inspections may be labeled “Formal” or “Informal”.

### Formal inspection

The inspection must be able to provide thorough documented evidence to management or to meet any regulatory requirements.

### Informal inspection

The inspection is an ongoing process performed by a supervisor to identify unsafe acts/or conditions. Informal inspections are usually not documented.

# Inspections

## Frequency:

Frequent inspections are vital to make your program effective. Every level of management needs to be continually involved in inspecting their areas of responsibility. They need to review inspection and provide feedback as to the thoroughness and usefulness of the report.

## The benefits you will receive from an inspection program are:

- Fewer interruptions of production — which affects profits
- Reduced unexpected expenses through reduction in losses or claims
- Opportunities to correct unsafe conditions or activities *before* a loss

## Steps to success:

1. Determine what resources need to be inspected
2. Develop your inspection forms
3. Determine who will be responsible and accountable for the inspections
4. Determine the frequency of the inspections
5. Decide how the information from the inspections be utilized
6. Determine the type of follow-up that will be used by management to ensure that corrections are being made
7. Determine if the inspections effective in controlling unsafe acts/conditions

# Hazard Control

## How do you control hazard?

State and/or Federal OSHA regulations should be consulted since many hazard control methods are dictated by them. They will help you determine if your present controls meet the minimum regulatory requirements.

### Steps to success:

1. Identify hazards
2. Determine whether these identified hazards are properly controlled
3. Require the controlled hazards to be inspected on a scheduled basis to ensure that procedures are being followed by the employees

# Accident Investigation

Accidents and “near misses” result from unsafe behavior and/or conditions. Incidents need to be investigated to determine where there are oversights in the Management System that have allowed the unsafe to take place.

## Example:

An employee is injured while improperly lifting or carrying a heavy object. The immediate conclusion might be that the employee should be trained in how to lift an object properly. However, a closer look may show:

- A mechanical lifting device wasn't available or wasn't working, or
- There was undue pressure to complete a job, or
- The employee was not physically fit to lift such an object, or
- The employee had never been trained and/or trained insufficiently for the job

## The investigative process:

- Establish a reporting procedure and a reporting form
- Obtain information from the employee(s) involved
- Survey the working conditions at the time of the accident
- Determine condition of the equipment used
- Obtain information from witnesses
- Analyze the information and determine causes
- Make corrective recommendations.
- Implement feasible recommendations
- Continue to monitor and refine corrections implemented

*It is extremely important not to attempt to place blame. This discourages cooperation.*

# Accident Investigation

## Accident investigations:

For every incident, there are usually multiple root causes. Sometimes they involve oversights in the Management System.

When oversights are identified, they should be communicated as recommendations - that way changes are more likely to take place. Then, follow up is needed to see if the changes are being effectively implemented.

## Steps to success:

1. Communicate to your management personnel that the accident investigation process is to uncover root causes — not to place blame
2. Develop an accident investigation form to determine root causes
3. Train your management personnel how to use the reporting form
4. Follow through on the recommendations resulting from the your investigations

## How far have you climbed

**Commitment is essential to an effective Loss Control Program. If you need assistance, call your Farmers agent.**

**Your Farmers agent will explain how a Loss Control Specialist can help you accomplish your goals in controlling potential losses.**



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# Notes

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