



# Loss prevention service and the farm equipment dealer

**E**ACH month Federated Insurance personnel write short articles on subjects we believe to be of interest to our dealer customers. Sometimes mental blocks occur and one ponders what could be of interest and the mental wheels start churning out ideas. It occurred to me that while we understand our loss prevention services, maybe some of our policyholders do not have a complete understanding of these value-added services.

Our loss prevention consultants, who call on our equipment dealers, complete a fairly comprehensive property survey, evaluate the liability exposure and complete a crime survey. Hazards noted in any of these coverage areas will be brought to management's attention and suggestions are made to remove or reduce the hazards. Obviously, the solutions proposed to eliminate hazards should be practical, meaningful and doable while keeping costs as low as possible. Here I can let you in on a trade secret: Most of the suggestions we make come from solutions other dealers have used in similar loss situations.

## Loss prevention tools

In addition to what we learn from dealers, we also have a variety of loss prevention tools available on our Web site at [www.federated.ca](http://www.federated.ca). By logging on, our policyholders can access programs, such as our popular fleet safety program titled *Take the Right Road*. This fleet safety program provides dealers with guidance and flexibility when determining the level of fleet management necessary for their dealerships.

The program requires a password to access the Web site information so access is limited to policyholders only. A variety of complimentary handout items, such as signs and forms for use in businesses, are also available on the site. In addition, there is information on a variety of hazards common to farm equipment dealers. Dealers can use these topics to conduct safety meetings or simply review to get ideas about what they can do to control some of the common loss situations at dealerships. A FAQ section is available to provide answers to many questions asked about our loss prevention activities.

Another value-added service we provide is building evaluations. It is often difficult to determine the amount of building insurance an owner should carry due to sections being added over time and different construction materials used. Sometimes certain building material prices escalate rapidly – for example, recent increases in the cost of steel. We have used one of the most trusted systems in building appraisal with values updated by postal codes quarterly. The Marshall & Swift / Boeckh evaluation system is probably one of the most commonly used systems in North America. This is a free service Federated Insurance provides to policyholders. If a dealer obtained a quote from an independent evaluation service, he or she would probably find the same

system used for the evaluation and, while the cost would vary by size of the building, it would likely start at \$1,000.

## Analyzing loss data

When loss data shows a developing concern, we can inform our policyholders through a number of channels. One of our most effective means of sharing loss prevention information with our policyholders is through our field staff in both the marketing and underwriting areas.

Special loss prevention topic bulletins have been prepared covering many loss situations common to many of our policyholders. Information shared is documented in our computer system. By tracking the use of loss prevention materials and services, we can see where these resources are being used and hopefully see a positive effect produced by these services. Our Web site is only in the early stages of development when one considers all the possible uses of a well produced and organized loss prevention resource available on the Internet. At Federated Insurance, we are committed to provide this value-added service and we add loss prevention information to our Web site on a regular basis.

## Attitude is important

Loss prevention is as much an attitude as it is an activity. We continue to learn from well run dealerships as they make use of new technologies and find solutions to new problems. We will continue to share this information with our dealers so they can use it to prevent losses and increase profitability.

At Federated Insurance, we believe loss prevention is a critical component of your Risk Assessment Plan. Working together through our *Partners in Prevention* program to reduce your loss exposure protects your bottom line. ■

*WRITER'S NOTE: Federated provides this loss prevention article as a service to its policyholders and their business advisors. The information provided is intended to be general in nature, and may not apply in your province. The advice of independent legal or other business advisors should be obtained in developing forms and procedures for your business. The recommendations in this article are designed to reduce the risk of loss, but should not be construed as eliminating any risk or loss.*

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