



# Responsibilities for loss prevention

**T**o be effective, both management and employees must share the responsibility for loss prevention.

## Management

Management's commitment to a loss prevention program will in large part determine its success, and its responsibilities include:

- Providing a safe environment for employees, including a safe place to work, safe vehicles and safe equipment.
- Providing management direction for a loss prevention program. This includes creating, implementing, monitoring and supporting the program through training, supervision, analysis and documentation.
- Identifying, communicating and controlling hazards throughout the organization.

Hazards can be controlled in three main ways:

1. **Engineering** – putting in controls that restrict the physical environment, making a loss impossible. Examples of this include preventing fuel vapours from entering the environment with an ignition source by using proper storage containers; preventing property damage by designing a building in such a way to ensure water is adequately controlled.
2. **Administration** – enforcing risk management programs and proper procedures for completing a task as safely as possible. This method of control is less reliable than engineering controls because it depends on the human element to ensure the loss prevention activity occurs. Proper training and reinforcement of the procedures is essential for successful loss prevention.
3. **Personal Protective Equipment** – ensuring proper personal protective equipment is worn at all times to protect employees.

To assist management with its loss prevention responsibilities, we recommend they:

- Implement a comprehensive safety program according to local legislation.
- Review accident reports and ensure corrective action is taken promptly.
- Monitor loss prevention programs for application and effectiveness and modify if necessary.
- Include safety in performance reviews.
- Review loss prevention activities with all employees regularly.
- Ensure all employees comply with company loss prevention procedures and rules.



## Employees

Management's commitment alone will not automatically result in an effective loss prevention effort. Employee participation is crucial. Having employees share the responsibility for loss prevention not only benefits the organization but also benefits individual employees by ensuring their safety.

Basic employee responsibilities for loss prevention include:

- Performing all work as safely as possible.
- Following all loss prevention procedures, regulations, and rules.
- Following inspection guidelines for all equipment, machines, and tools.
- Using proper personal protective equipment where required.
- Operating all equipment with safety guards in place while in operation.
- Operating only the equipment and machines trained upon and authorized to operate.
- Correcting and reporting all unsafe acts, conditions and accidents immediately to management.
- Participating actively in loss prevention training.
- Suggesting methods for controlling workplace hazards.

Together, employees and management can have a positive effect on reducing, controlling or eliminating workplace hazards, accidents, and injuries. ■

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 are designed to reduce the risk of loss, but should not be construed as eliminating any risk or loss.

RICK HEIDMAN is a loss prevention coordinator for Federated Insurance. At Federated Insurance, we believe loss prevention is a critical component of your risk management program. For more information, contact our Loss Prevention Department at 1-800/665-1934 or visit our website at [www.federated.ca](http://www.federated.ca).