

# Key Elements of a Loss Control Program for Construction Employers

December 2021



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## Welcome / Introduction

**Presenter:**  
Tony Kuehn CSP, OHST, ALCM  
Vice President Consulting Services  
Integrated Loss Control



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## Housekeeping

-  Please submit any questions by using the questions box on the control panel.
-  A short survey will pop-up when leaving the webinar. We appreciate you taking the time to provide feedback.
-  This session is being recorded and will be available and shared with you in a follow-up email.



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**Introduction of Topic**

What we will cover during our time together.....

1. What Are The Benefits to Your Organization
2. One Size Does Not Fit All
3. Define Loss Control, What Does it Mean to Your Organization
4. Define Cost Containment, What Does It Mean to Your Organization
5. Who Are The "Stakeholders"
6. What Are Key Elements of A Loss Control Program
7. What Are Key Elements of A Cost Containment Program
8. Have a Plan (WorkPlan)
9. Setting Expectations
10. Identify and Coordinate Resources
11. Identify and Coordinate Information
12. Provide Ideas and Examples
13. Questions



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**Benefits of a Functioning Loss Control Program**

1. The primary benefit is **protecting** your human, physical and financial resources.
2. Achieving and maintaining **compliance** with various regulatory requirements.
3. Obtaining relevant **insurance** coverages, at best pricing. Insurance companies are looking more closely at what programs companies have in place to prevent losses and should one happen, what they have for a Cost Containment Program.
4. Securing and retaining clients/customers/relationships (**revenue**).
5. In today's **competitive market place** more and more organizations (your current and future clients) are requiring its service partners/contractors/suppliers to maintain a certain workers' compensation modification rate and/or OSHA incident rate to work for them and/or provide products and services.
6. Financial institutions, when **seeking funding**, will look for what you have in place to help protect their investment. (continued.....)



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**Benefits of a Functioning Loss Control Program**

Continued.....

7. Satisfy Third Party Review requirements.
8. More organizations are now requesting documentation of safety programs, fleet programs, training records, environmental programs, insurance coverages, etc., as part of the bid package.
9. This can all return in the form of continued and new business opportunities, potential insurance cost reductions and image within the industry.
10. Get a good night sleep.
11. Others.....



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## Defining These Key Elements

**Question** – No matter the size or type of organization you have, if you told your management team that you want to discuss your loss control program, would they each have the same understanding of what it consists of?



**Question** – Do they understand your organizations definition of loss control?

**Question** – Same Questions relating cost containment?

What is Your Definition of .....

Loss Control – ??

Cost Containment – ??

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## Key Components

**Logical Approach Based on Key Fundamental Elements**

- Identify The Stakeholders
- Resource Identification and Coordination
- Risk Assessment (current and future)
- Program Audit (needs assessment – administrative and/or physical)
- Work Environment Evaluation
- Program Development
- Management Training
- Employee Training
- Recordkeeping
- Maintenance & Continuous Review & Updating
- Packaging and Leveraging of Opportunities

**Place These on a WorkPlan.....**

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## Stakeholders



**Who are your stakeholders?**

Internal to your organization –

- Human resources manager / coordinator
- Training manager / coordinator
- Environmental manager / coordinator
- Safety manager / coordinator
- Worker's compensation coordinator
- Insurance coordinator and Others.....

External to your organization –

- Current customer and/or prospective customer
- Various client management representatives
- Insurance agent / broker
- Insurance Carrier
- Outside consultants (yours and/or the client's)
- Regulatory agencies
- Selected vendors (medical, equipment, etc.)
- Bankers
- Sub-contractors

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## What Should Be Included

Each you have some level of Loss Control and Cost Containment programs in place right now.....You may call it something different...

But I will bet you have at least some of the following in one form or another, if not more:

- 1) Insurances (Workers' comp., Property, Liability, Auto, Cyber, E & O, etc.)
- 2) Personnel policies / procedures (includes hiring guidelines)
- 3) Safety program- Not only for you but other contractors on the multi-employer jobsites, etc.
- 4) Emergency Action plan
- 5) Environmental program
- 6) Business continuity / disaster recovery plan (including IT / Cyber security)
- 7) Fleet safety program
- 8) Security policies
- 9) Succession plan
- 10) Employee and management training (operational, quality, safety, etc.)
- 11) Others.....

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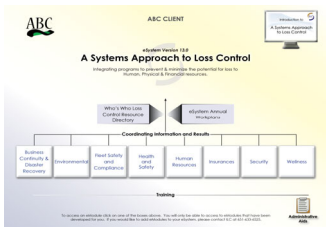
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## Basic, Yet Key Elements



**Example Only**

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## Determine Your Needs

**Risk Assessment (current and future)**

Examples relating to.....

- Exposures and Scope of Those Exposures
- Adequacy of Controls to Major Exposures
- Mergers and Acquisitions (pre, during or post transaction)
- Funding (need for business loans)
- Used for Developing Prevention & Cost Containment Programs

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## Determine Your Needs

**Program Audits (needs assessment – administrative and/or physical)**

Based on the nature of the business, what is required and how is it working?

- Health and Safety Program
- Environmental Compliance
- Fleet Safety Program
- Workers' Compensation
- Hiring Practices
- Business Continuity Disaster Recovery
- Insurance Coverages
- Others.....



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## Determine Your Needs

**Work Environment Evaluation (example)**

1. Do it once and utilize the outcome to meet multiple needs/opportunities. This saves time and dollars.
2. Design the evaluation (take away) with input from stakeholders before you leap.
3. Package the results to meet stakeholder needs.

- Essential Physical Requirements
- Essential Functions
- Industrial Hygiene Surveillance Program
- Job Hazard Analysis
- Others?

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## Guided By A Plan



Integrated Loss Control, Inc.  
**Loss Control Program Strategic Plan**

Over time organizations (plants) have been identified by management, the Strategic Plan can be developed. There will be goals that are administrative in nature and that will be implemented at the program level. The above graphic depicts the Cultural and Administrative needs and the Technical needs. The Plan development and implementation is a continuous process that is supported by ILC. All levels are to be fully committed to the plan and the plan will be the basis for the Technical work. Also the Cultural and Administrative needs.



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**Guided By A Plan**

Establish **Annual WorkPlans** for Each Critical Program  
*If you can't put it in writing, what makes you think you can do it?*

- Sets and controls expectations
- Identifies interested parties
- Establishes specific goals
- Presents routine and non-routine activities
- Identifies and assigns appropriate resources (coordinates)
- Updated as necessary to reflect required adjustments
- Maintained by one individual
- Provides continuity throughout changing people and times
- It is the rudder on the ship
- In the end it helps reach your desired ROI



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**Prevention**

**Prevention**  
 Examples



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**Prevention**

**This follows your risk assessment.....**

Let's define.....very simply put, it is a series of coordinated programs, policies, procedures, tasks, training, etc., that when implemented, responsibilities identified and accountabilities maintained, that work together to prevent or minimize the potential for an undesired, unplanned incident from occurring.

Let's look at a couple of examples.....



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**Cost Containment**

**Your risk assessment is the starting point for the development of this key element of your overall Loss Control program.....**

Let's define.....very simply put, a series of coordinated pre-planned actions that are implemented at the on-set of an incident. These actions are based on the need to prevent further losses and contain costs related to the incident.

Let's look at a couple of examples.....



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**Business Continuation**

**Determine Disasters That Impact Business**  
There are many potential disruptive threats which can occur at any time and affect your normal business process. Some examples.....

- Tornado (structural and water damage)
- Extreme rain (water damage)
- Flooding
- Fire
- Cyber attack
- Pandemic Flu
- Chemical spill
- Electronic equipment failure
- Paper, books records
- Utility failure
- Medical emergency (employee death or serious injury)
- Workplace violence (active shooter, etc.)
- Bomb threat
- Financial
- Key customer loss
- Injuries to public (liability and the adverse media coverage)
- Vehicle accident (employee involved in company vehicle accident)
- Death, loss, of company officer



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**Workers' Compensation**

**Management Commitment**


No program can succeed without the support and involvement of the upper management team. Demonstrated by:

Providing the safest possible work environment through the application of our [Health and Safety Program](#) and other prevention related initiatives;

Appointing a **Worker's Compensation Coordinator** and providing for the necessary training and support to aid this position in meeting the Program's goals and management's expectations;

Establishing clearly defined **Roles and Responsibilities** and holding individuals accountable.

Developing a **Return-To-Work** policy and approving a structured return-to-work component of this Program.



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**Workers' Compensation**

**Organization Supports Program**

The success of this Program is dependent on all employees and management representatives understanding the scope and purpose of this Program and agreeing to work together in the spirit of cooperation for the benefit of the employee and the organization.



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**Workers' Compensation**


Management and employee involvement necessary to develop, implement and maintain this Program, the following basic elements are key to your Program:

*Early Intervention* - Early intervention is critical to providing the necessary support to the employee, initial costs and potential costs can be controlled;

*A Flexible Attitude Toward Job Reassignment* - Managers, Supervisors and employees must understand and support job;

*A Work Hardening Component of This Program That Includes A List of Modified Duty Tasks* - To aid in the early return of employees;

*The Ability To Track An Injury/Illness* - Continuous awareness of the status of an employee injury/illness by the Workers' Compensation Coordinator, Supervisor, claims manager, occupational clinic and others, is critical to the early successful return to work of the employee. Critical cost containment initiatives and opportunities may be missed if claim information and changing circumstances are not routinely monitored.



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**Quick Review**

**Logical Approach Based on Key Fundamental Elements**

- Identify The Stakeholders
- Resource Identification and Coordination
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**Put on a WorkPlan.....**



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## Leverage Your Programs

It has cost you in time and money to put in place what you have, how can you leverage these key elements to realize a Return on Investment-ROI? Here are couple of ideas:

1. Improved insurance market opportunities (can help North Risk Partners/Risk Advisor find markets for you)
2. Obtain financing (capital to expand operations, securing loans, etc.)
3. Courting potential customers
4. Retaining those hard-earned customers (and protect the revenue that comes from them)
5. Obtaining ISO certifications, and others
6. Meet 3<sup>rd</sup> Party review requirements (allows for continued client work/revenue)
7. Meeting merger requirements
8. Selling, can add value to the transaction
9. Image in the industry and with employees
10. Compliance
11. Others.....

There are any number of ways to leverage and market your program, we just need to remember they are there and how to take advantage of them.....



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## In Summary

Sounds like a lot of work, but if you.....  
.....it can be simple when broken into each element.



1. Have a goal.
2. Think it through.
3. Start out with a plan.
4. Identify resources and coordinate
5. Be patient-this takes effort and time.
6. Build elements to connect/collaborate.
7. Do what works for you (no one size fits all).
8. Evaluate and adjust accordingly
9. A partial System is better than none.



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## End of Presentation



**Any Questions?**

*Thank you for your time & attention!*



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**North Risk Partners**  
**Value-Added Services Hotline**  
**(888) 667-4135**

Call the hotline to get personalized advice from HR and safety professionals on a variety of topics, including state and federal compliance, employer best practices, workplace programs and more.

\*You may also reach Integrated Loss Control by emailing [safety@northriskpartners.com](mailto:safety@northriskpartners.com)



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