



LOSS CONTROL MANAGEMENT
(Course Code - OSH 104)

Course Objectives:

- 1 Identify core elements of the Loss Control Management Program
- 2 Enumerate the requirements of Loss Control Management Program
- 3 Develop, implement and evaluate a Loss Control Management Program
- 4 Enumerate the importance and benefits of Loss Control Management Program





Session 1

**INTRODUCTION TO LOSS
CONTROL**

Loss Control Basics

- Loss(es)

> incurred as a result of damage to lives and properties from out of negligence or ineffective actions of management

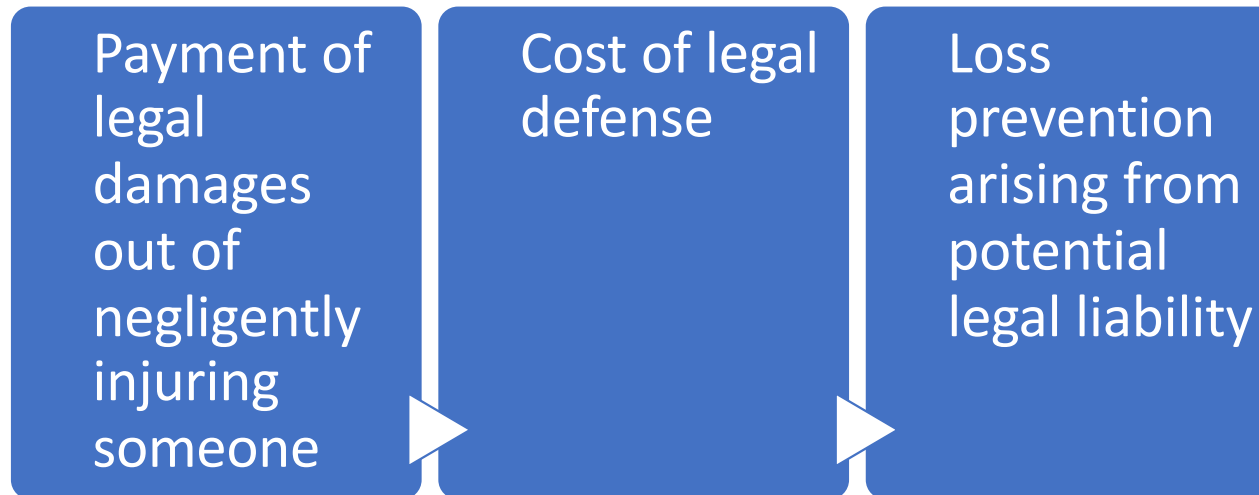
EXAMPLE: *industrial accidents and illnesses*



- Loss(es)

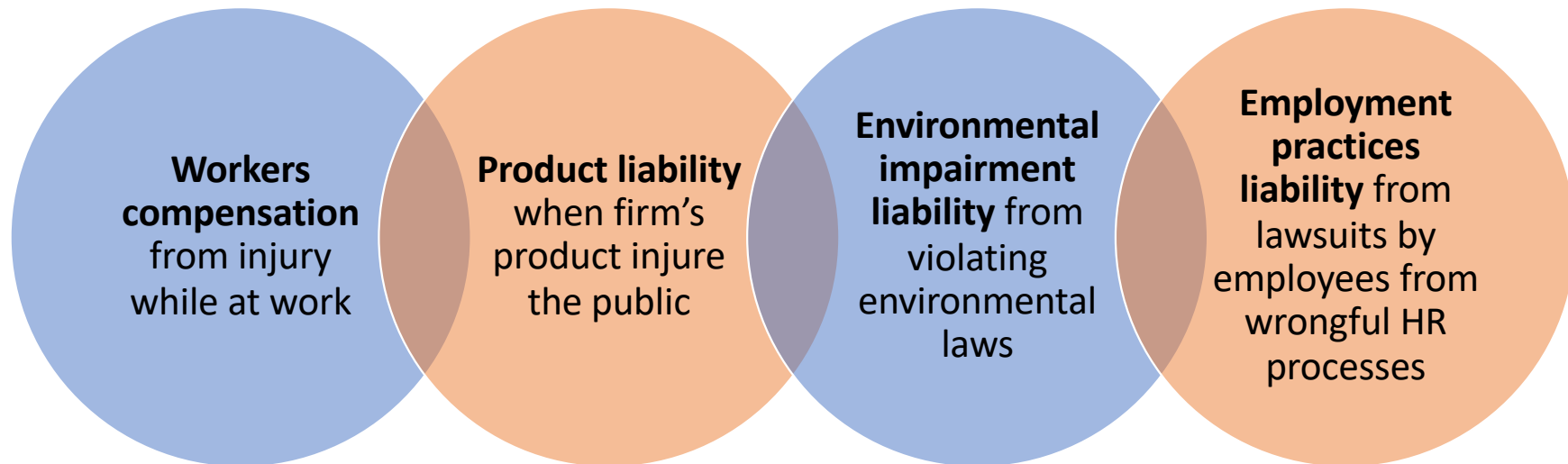
- > often associated with liability losses that arise from

- 3 common sources:



- Loss(es)

> increasingly becoming a concern of business organizations:



Total impact of claims can DEVASTATE:

Businesses

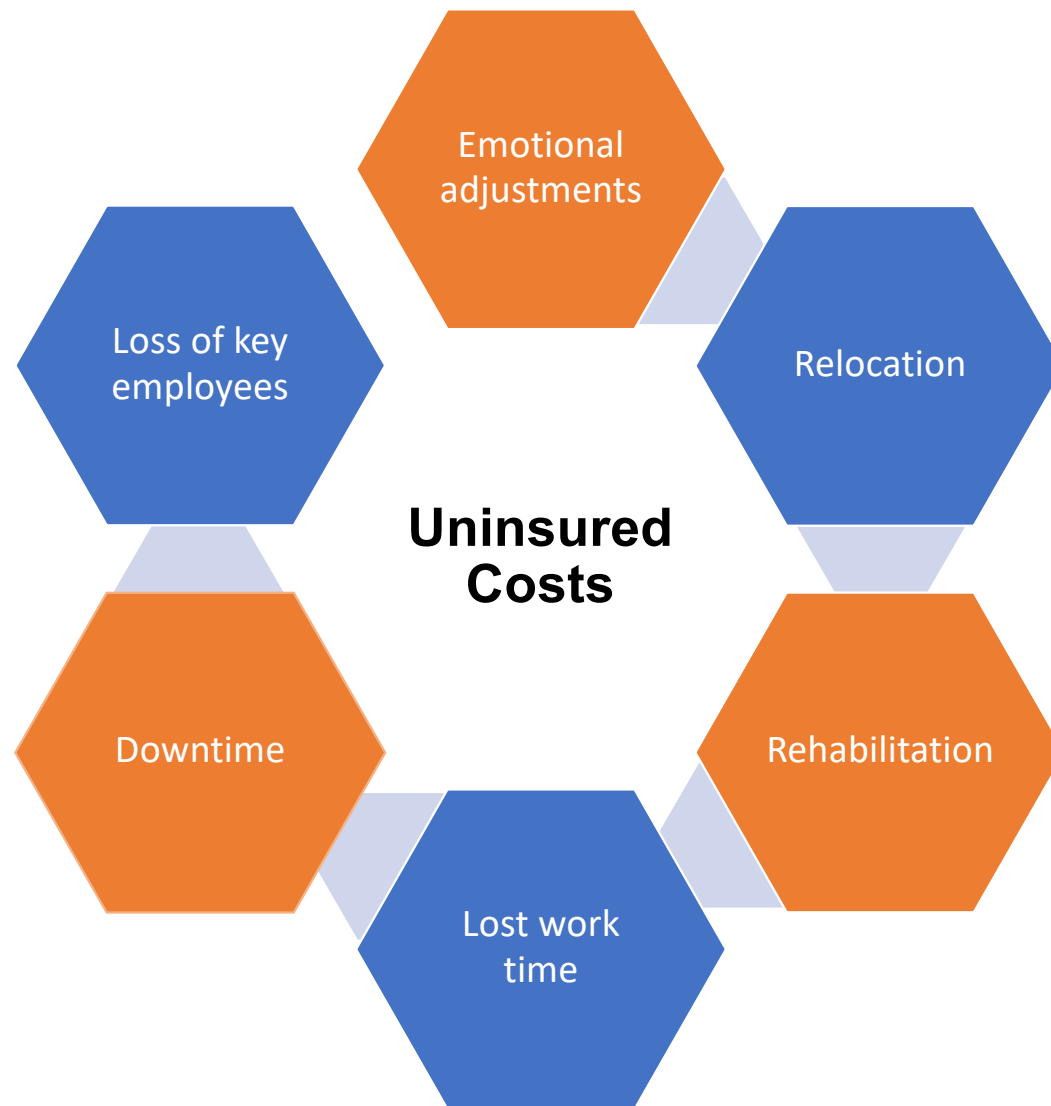


Homes



**YES... insurance helps offset covered loss
but UNINSURED costs have the BIGGEST
impact!**





- Loss(es)
 - > can be direct or indirect

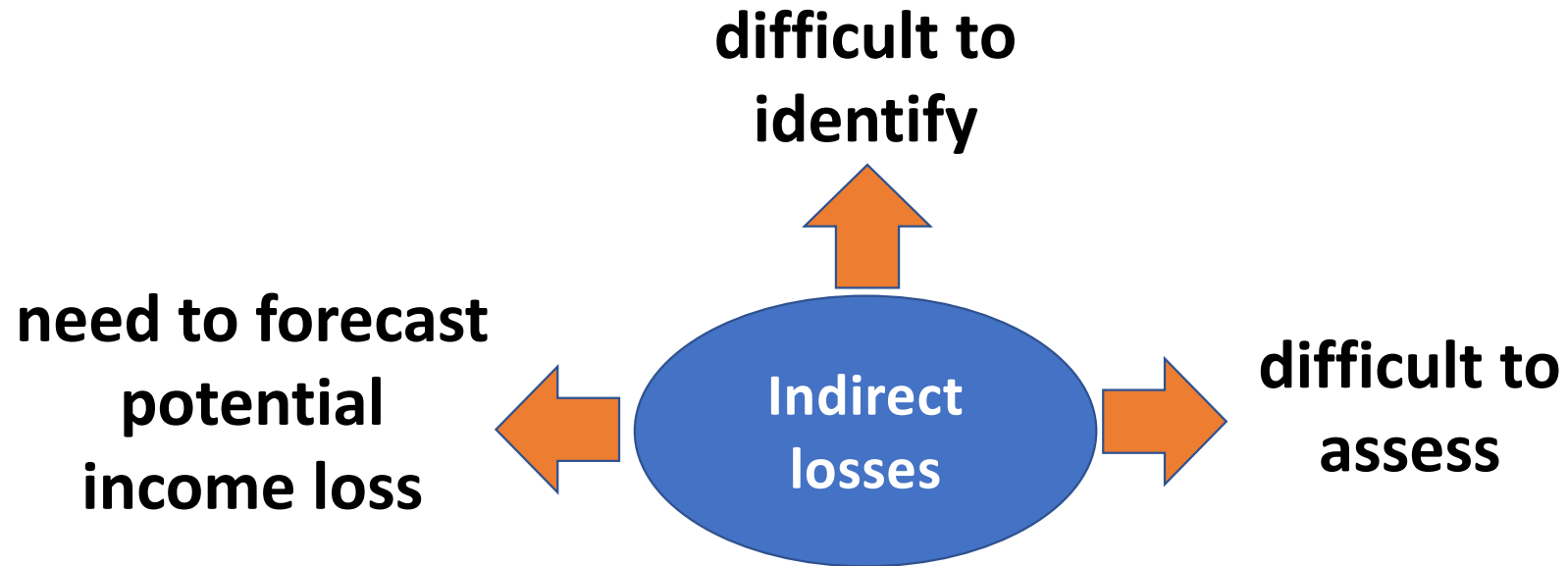
Direct

- When there is damage to lives and properties, e.g. fire, explosion

Indirect

- When direct loss causes expenses to increase and revenue to decline

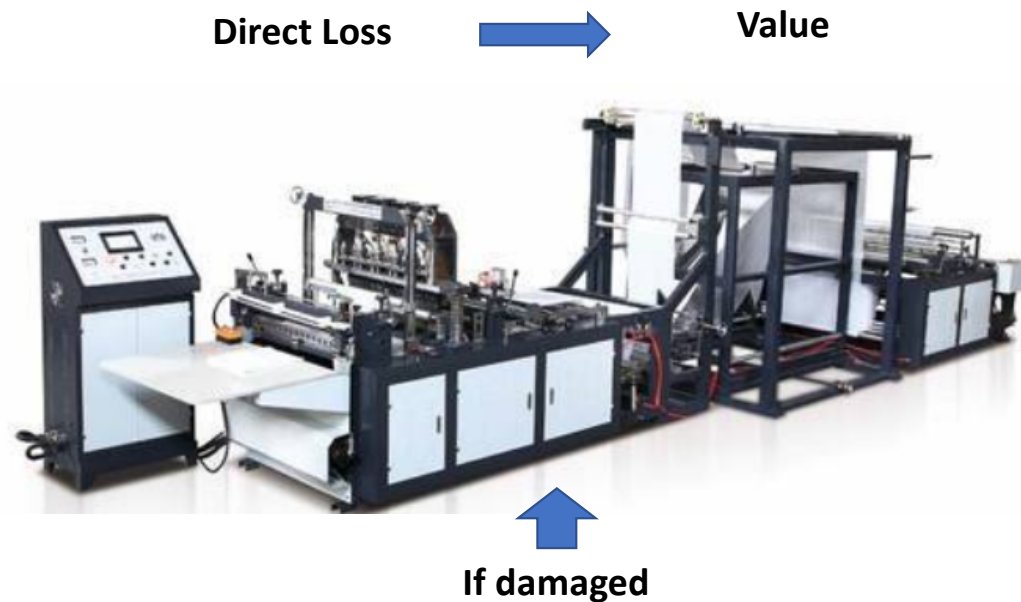




EXAMPLE

One can see a machine and measure its value, but we cannot see the lost profits if the machine is unavailable for several months.

It is difficult to estimate how long a machine will be unavailable after a loss.



The idea is:

- Losses should be controlled!

PRE-LOSS

prevent losses
from occurring

**Prevention is
most
effective**

POST-LOSS

contain the extent
of losses after they
occur



This is where

**LOSS CONTROL
MANAGEMENT**

comes in!



What is Loss Control?

any intentional management action directed at:

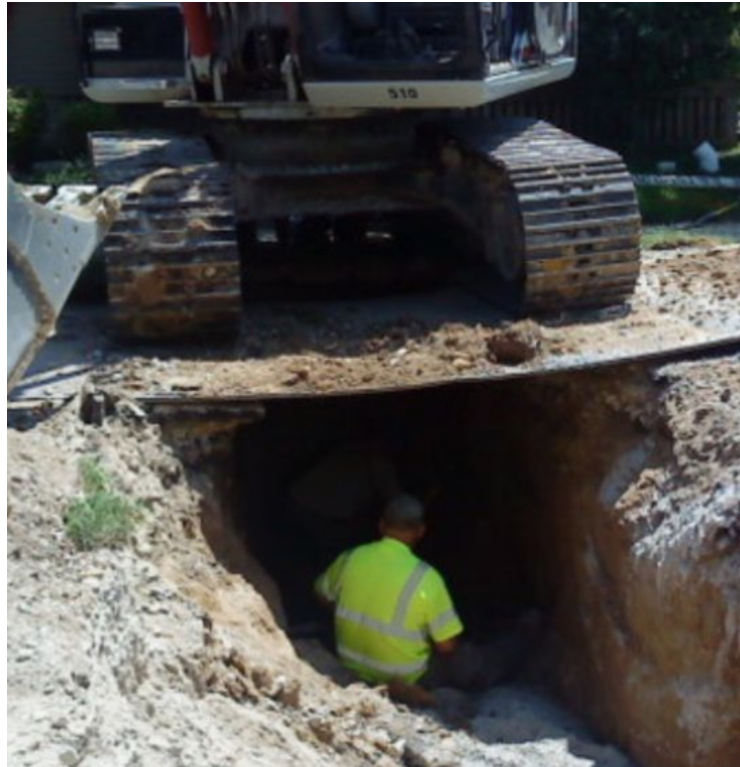
- prevention
- reduction
- elimination



of the pure
(non-
speculative)
risks of
business



What the surveys say:



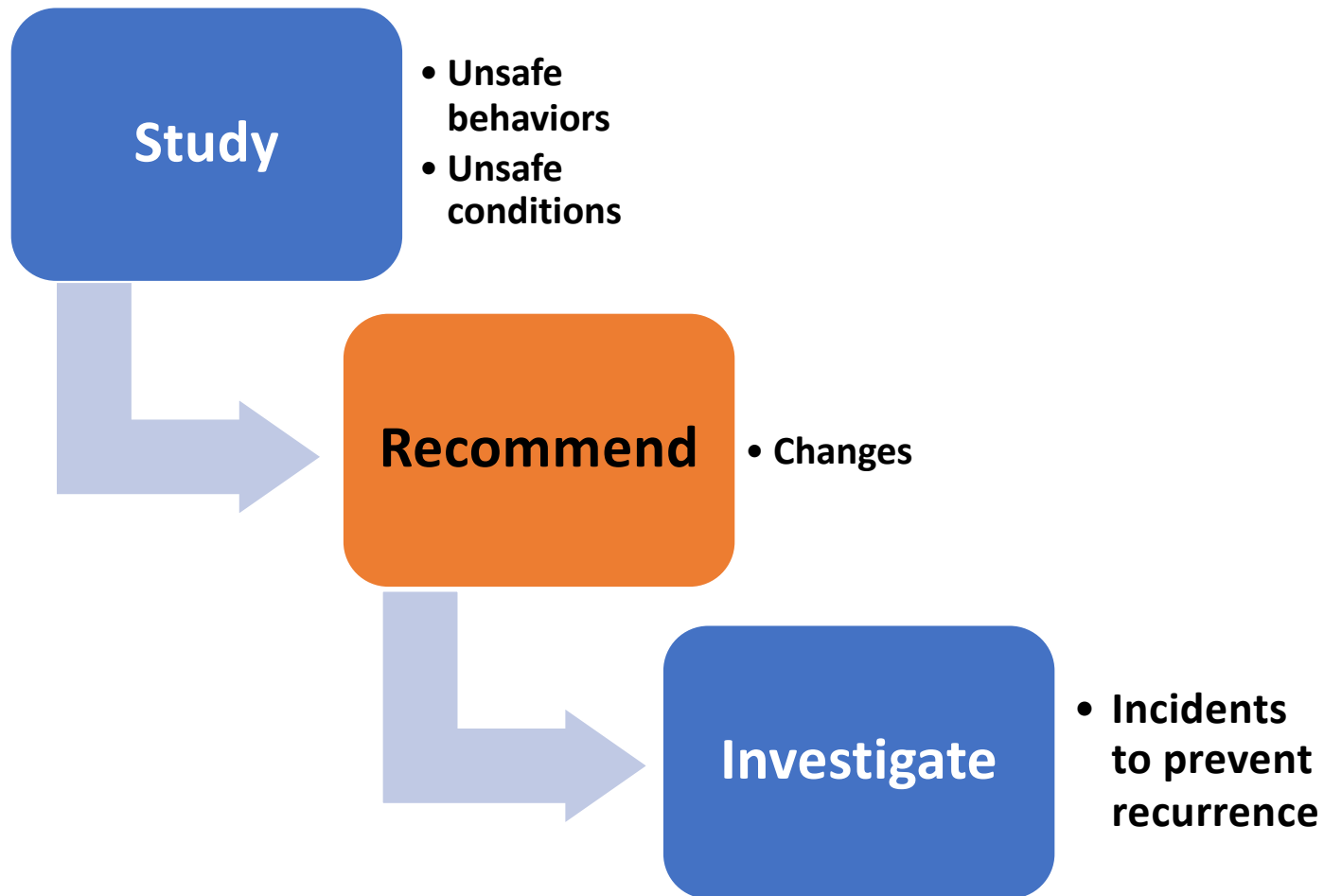
Unsafe conditions

Unsafe practices




Major source of potential losses



Loss Control

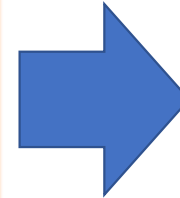


Protect companies from special hazards

| | | |
|---------------------------|---|---|
| <p>Machine guarding</p> |  | <p>Machines are studied to recommend effective guarding techniques</p> |
| <p>Industrial hygiene</p> |  | <p>Environmental health hazards are recognized, evaluated to recommend appropriate controls</p> |
| <p>Fire and explosion</p> |  | <p>Possible fire and explosion hazards are identified and controlled</p> |

Loss Control Management?

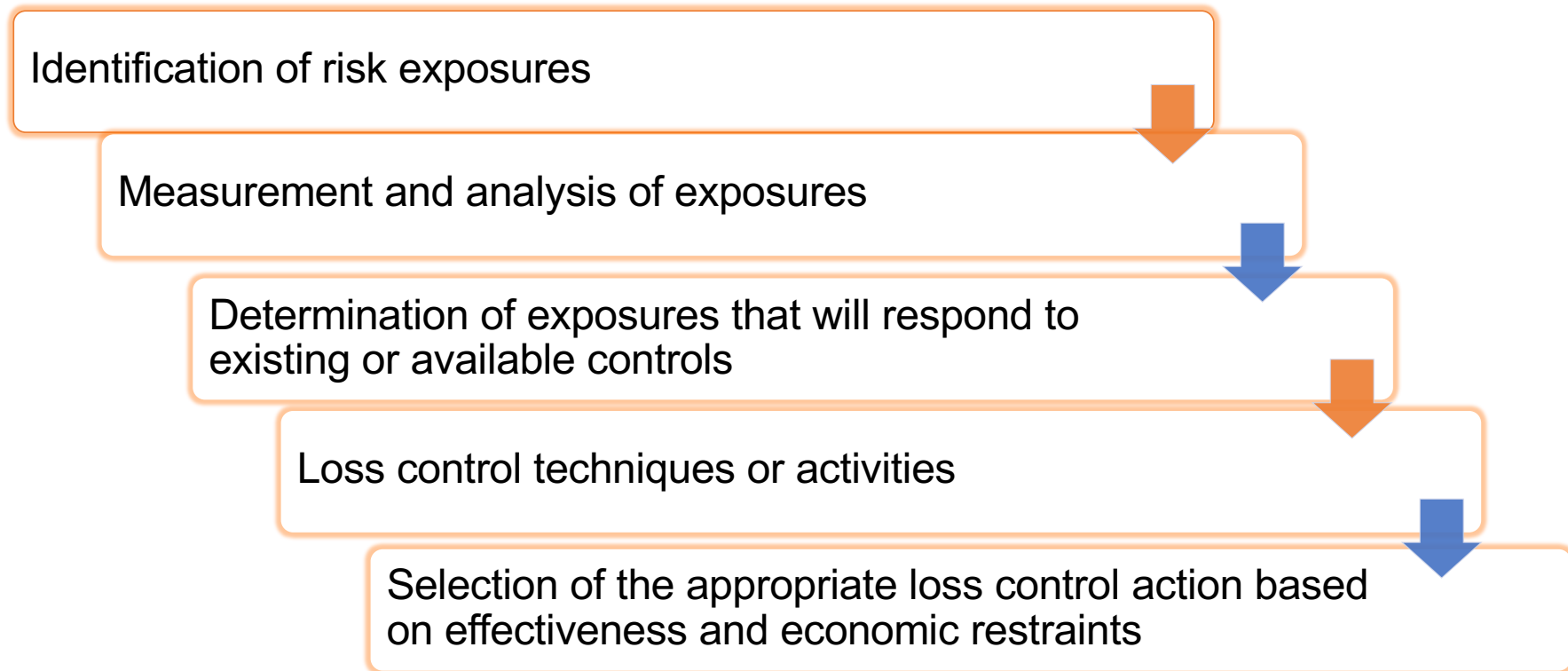
**application of professional
management techniques
and skill through program
activities directed at:**



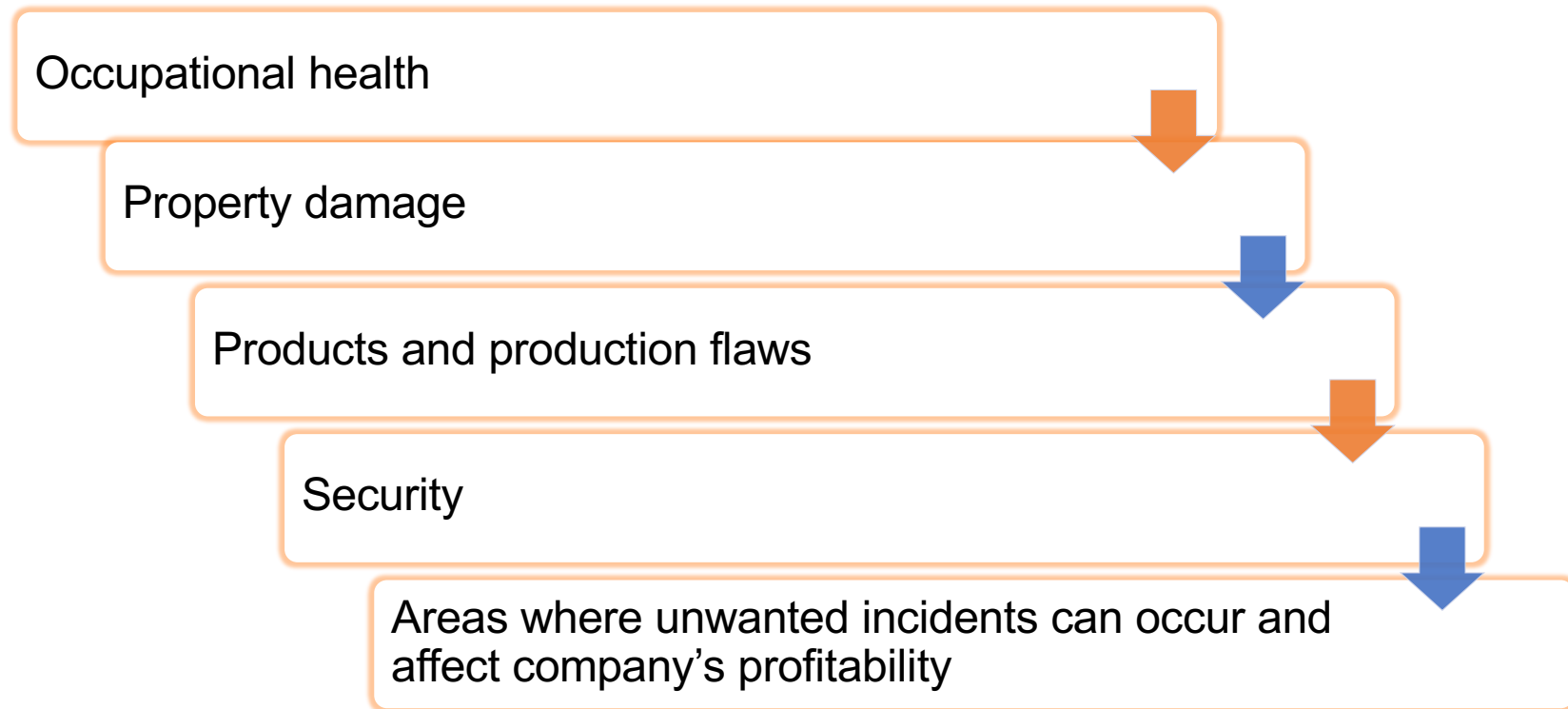
- **eliminating loss exposure**
- **avoiding losses**
- **reducing losses**
- **transferring losses**



Involves the following:



Aims to eliminate problems of:



Loss Control Program

efforts at critical areas with past loss experience or which have the potential for loss

predictive and preventive rather than reactive

activities are interrelated and supportive of each other

- **EXAMPLE:**

- > meaningful accident analysis is dependent upon effective accident investigations

- > PPE

- > standards established from accident data and planned task observation



Safety and Accident Prevention

- prime purpose  avoid personal injuries and deaths

1. immediate physical suffering of the injured

2. possibility of some permanent impairment

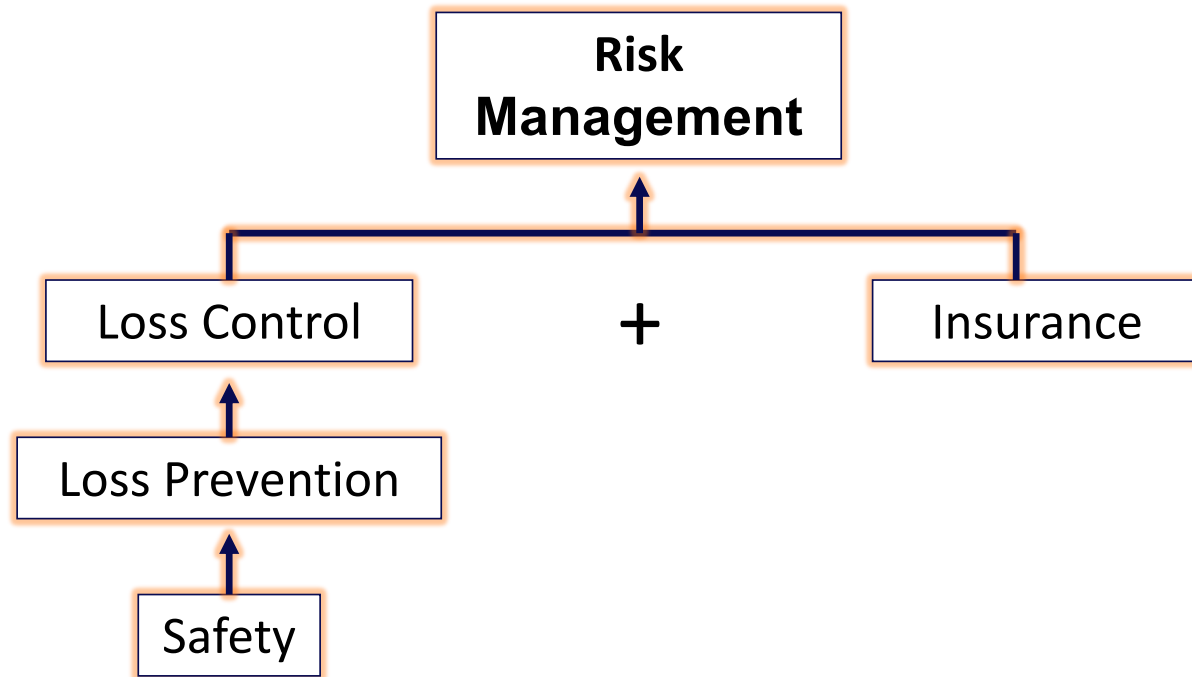
3. economic effects on the workers and their families

4. worker's compensation payments provide less than what could have been earned by the injured worker'

CONSEQUENCES



Progressive development



Philosophy of Loss Control and Risk Management

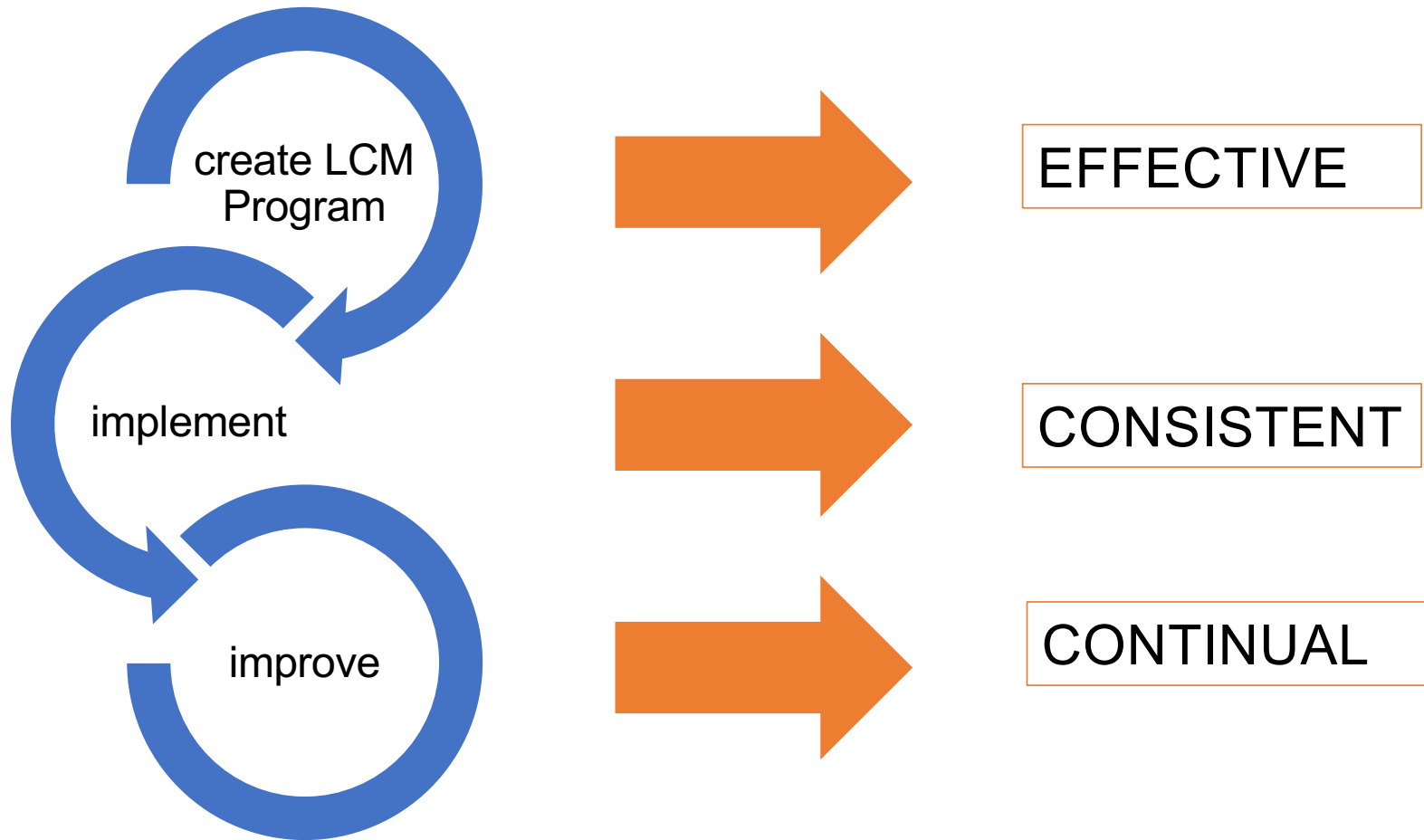
- ❑ Eliminate problems of occupational health, property damage, product safety, security that affects profitability
- ❑ Top management involvement
- ❑ Responsibility at all levels of the organization
- ❑ Standards derived from the knowledge and input of professionals
- ❑ Organizations no longer pay for the costs of unnecessary and avoidable losses
- ❑ A peso of prevention will harvest many more pesos of savings and profits



A very important aspect of **Risk Management** and **Loss Control Program** is sensitivity to and sympathy of management for all workers.



How to achieve it?



What consist an LCM Program?

This is what the course is all about.



Scope of this course

| MODULE | SUBJECT |
|---------------|---|
| 3 | Economics in Loss Control |
| 4 | Management Control |
| 5 | Measurement Tools for Management |
| 6 | Cost-Benefit Analysis |
| 7 | Property Damage and Loss Control |
| 8 | Industrial Hygiene (Environmental Health) |
| 9 | Product Liability Loss |
| 10 | Planned Safety Inspections |
| 11 | Accident Investigation |
| 12 | Job Analysis and Procedures |
| 13 | Control Fleet Safety |
| 14 | Security Loss Control |
| 15 | Stress Management |
| 16 | Behavioral Dimension of Loss Control |
| 17 | System Safety |
| 18 | Fire Loss |
| 19 | Communication |
| 20 | Cyber Risk and Data Breach |
| 21 | Risk Management and Business Continuity |



But first let us briefly check why
LCM
came into being

