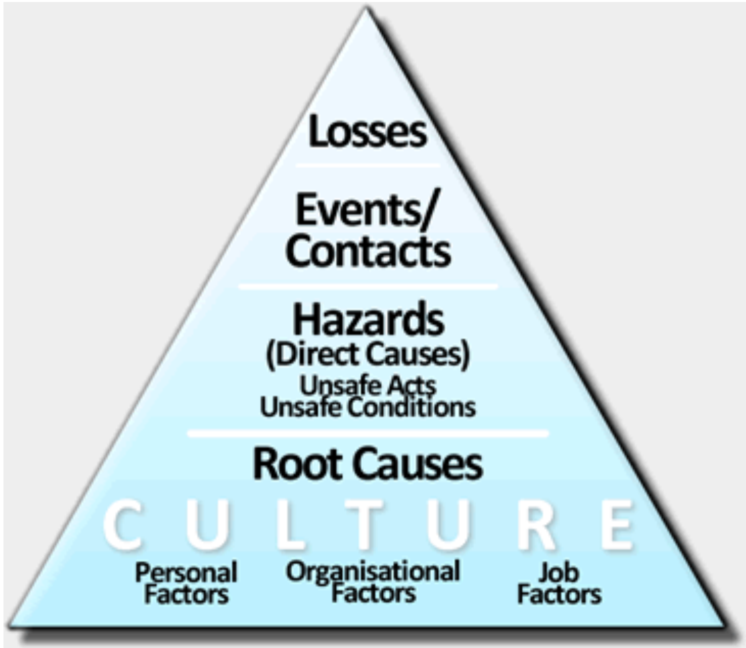
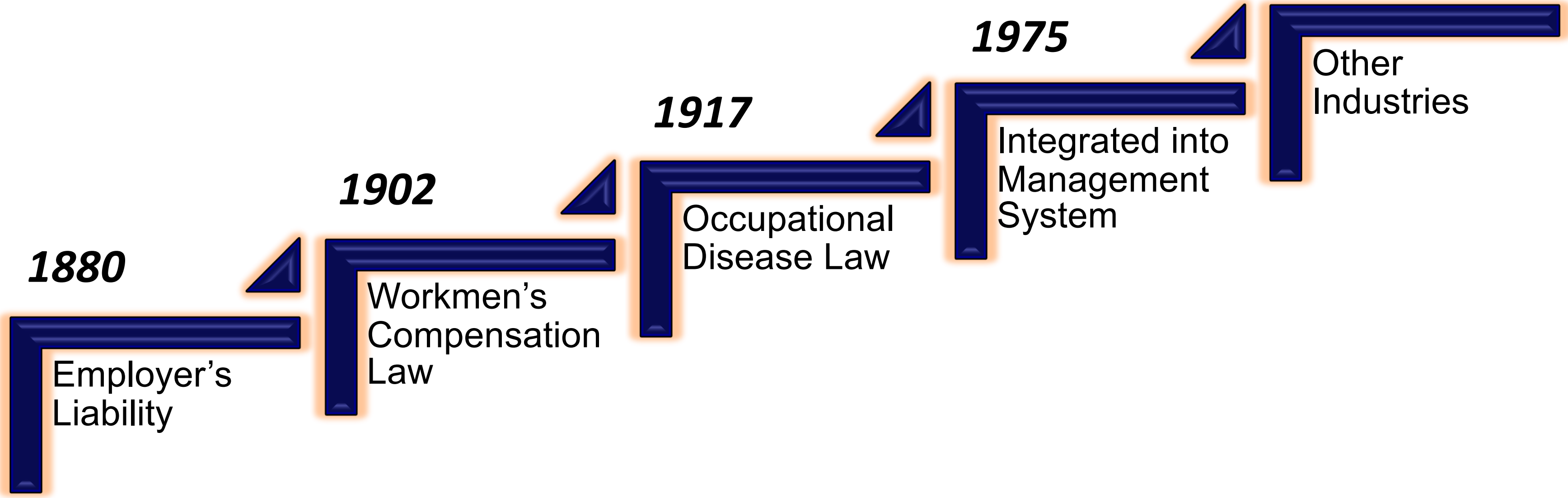
Session 2

HISTORY AND PHILOSOPHY OF LOSS CONTROL

HISTORY

Transition from manpower to machine power exposed workers to many hazards in the workplace




1880
Employer's Liability
1902
Workmen's Compensation Law
1917
Occupational Disease Law
1975
Integrated into Management System
Other Industries

Employer's Liability Law

Did not offer much help to injured workers and their families

Why? Because of 3 doctrines:

1. Fellow servant rule
2. Contributory negligence
3. Assumption of risk

Three (3) Doctrines of Common Law

The “Fellow Servant Rule”

- ✓ Provided that an employer was not liable for injury resulting from carelessness nor negligence of fellow workers

The “Contributory Negligence”

- ✓ Provided that the employer was not responsible if the injured worker’s own negligence has played a part in causing the accident

Three (3) Doctrines of Common Law

The “Assumption of Risk”

- ✓ That an employee accepted all the customary risks of an occupation when he accepted the job.

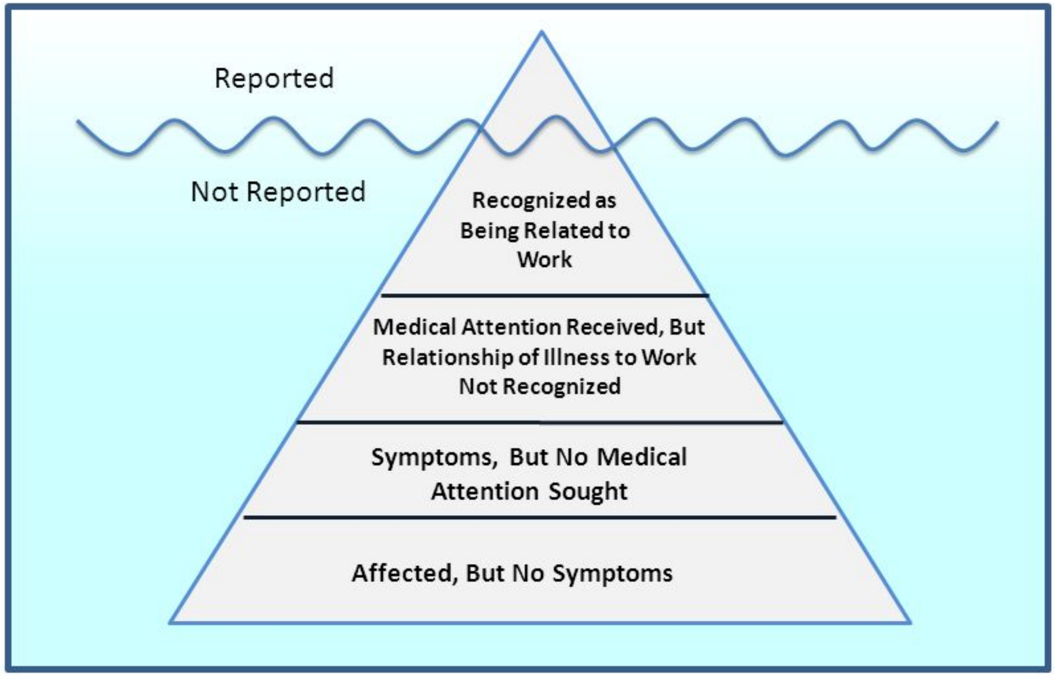
Workmen's Compensation Law (1902)

injured workers have very little chance for compensation

Usual reasons:	Injured worker will usually hesitate to put his job in jeopardy by suing his employer;
	Does not have much chance to prove his case in court;
	Out of court settlement proved to be more beneficial on the part of the worker than legal action.

"the employer is held liable not on the basis of his fault or negligence, but on the basis of social policy"

Occupational Disease Law (1917)



- include occupational diseases for compensation
- assume a substantial part on the financial cost of injuries
- shift obligation for compensation payments to insurance firms

Target to reduce accident premiums provided a stimulating and financial objective for accident prevention

periodic inspections

counseling the management

minimizing accidents through prevention

Loss Control Management
(1975)

first integrated into the complete management system

in South African mining industry

@ present

Loss Control Programs are successfully implemented in other industries

(not only in casualty rates but in physical condition standards and plant availability and utilization)

KEY POINTS

- Loss control is a set of risk management practices designed to reduce the likelihood of claims.

- Loss control involves identifying risks and is accompanied by voluntary or required actions to undertake to reduce risk.

- Businesses may benefit from loss control programs through reduced premiums and reduced costs of accidents.