



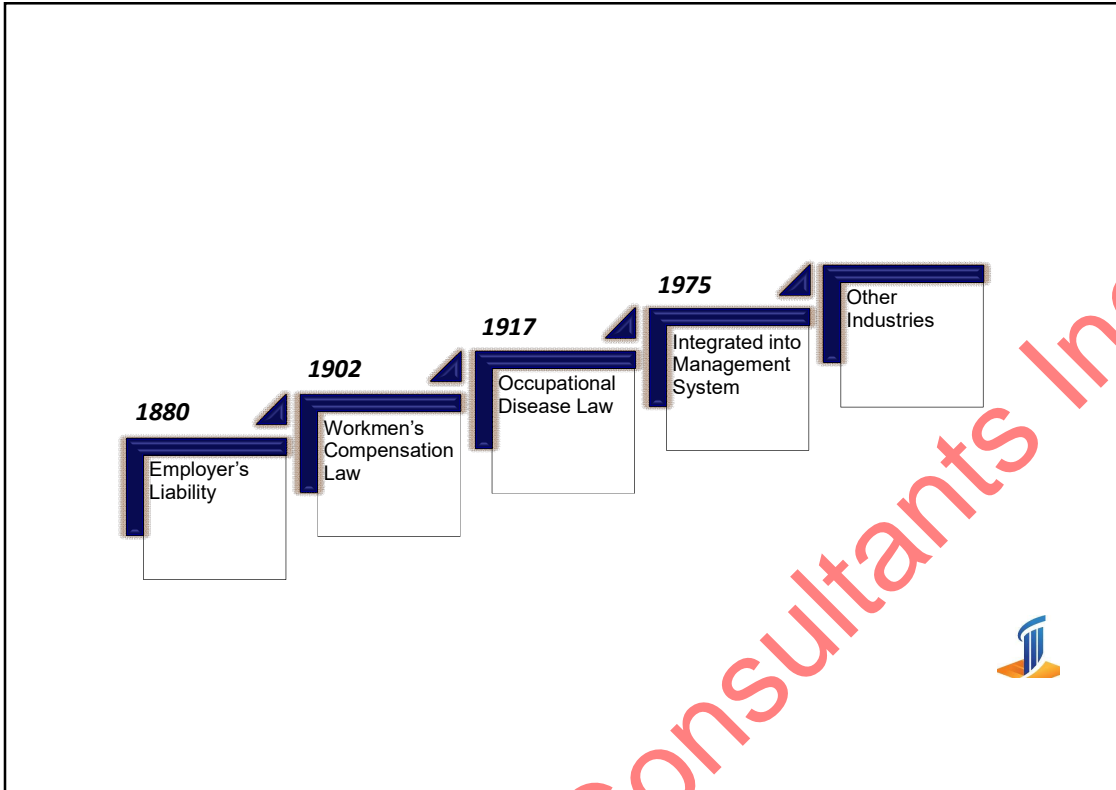
Session 2

HISTORY AND PHILOSOPHY OF LOSS CONTROL

HISTORY

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





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

An illustration of a yellow stick figure holding a large blue puzzle piece. The puzzle piece has the words "EMPLOYER LIABILITY" written on it in white capital letters.

Three (3) Doctrines of Common Law

The “Fellow Servant Rule”

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

The “Contributory Negligence”

- ü 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”

- ü 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"



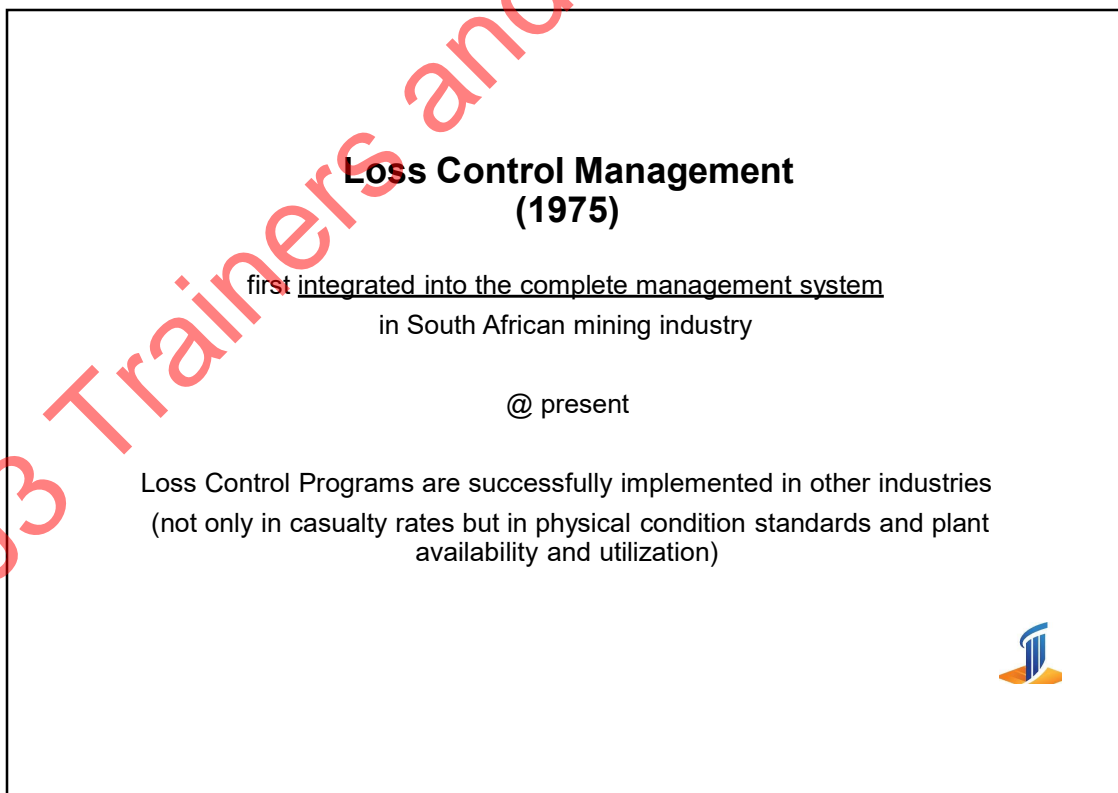
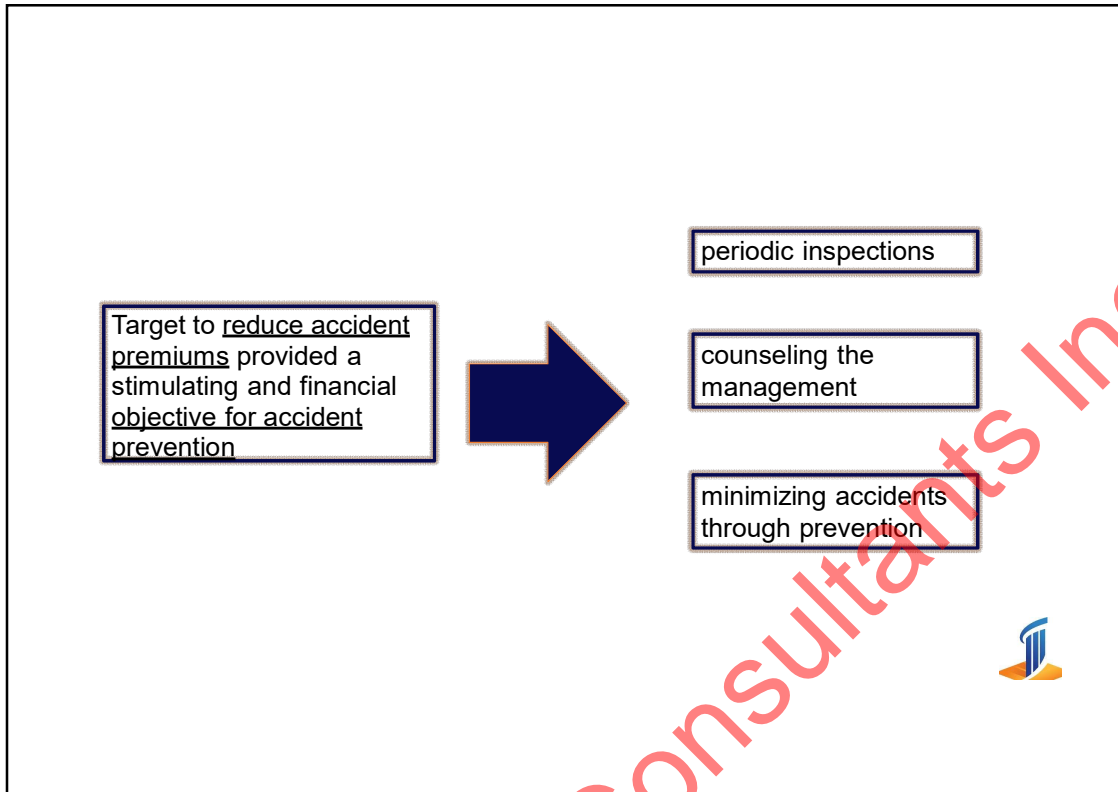
Occupational Disease Law (1917)

the "iceberg" of Occupational Diseases:



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





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.



Key Point



J3 Trainers and Consultants Inc.