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Career Risk Management

Manage your career during an economic downturn
(or what do I do when my company is going belly up?)

By George W. Pearson, CSP, ARM

This is the first of a Career Risk Management series of three articles, entitled "The Crisis: Managing the Transition and The Safe Landing." They describe three crucial phases in a safety professional's career that follow an economic crisis. They are based on lessons learned from the author's real-life experience of going through a work-life crisis that was triggered by an economic downturn. These ideas are offered as an object lesson for safety professionals for their own career risk management.

The Crisis

In early 2001, it was clear things were not going well for the competitive telecommunication business. The Telecommunications Act of 1996 was expected to stimulate competition among local telephone companies. Enter the competitive local exchange carrier (CLEC) with a promise to spend a lot of money building out a network and providing high-speed local, long-distance and data services.

Investors went on a buying binge on the promise of high returns, but their expectations were too ambitious. The industry accumulated a horrendous debt and the customer base did not develop. Wall Street became reluctant to continue its exuberance, and with limited access to capital, many CLECs are now in economic crises (with several entering Chapter 11 bankruptcy). According to the *Washington Times* in July 2001, some of the 35 publicly traded CLECs were forced into insolvency, including three of the five located in northern Virginia: E.Spire, Teligent and Winstar. They also report that some 130,000 telecommunication

industry jobs were eliminated in the first half of 2001. Analysts do not expect the sector to recover for 12 to 18 months.

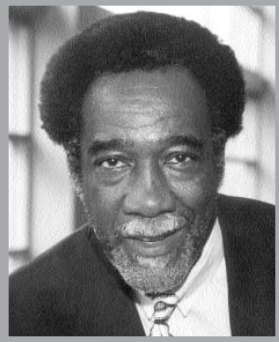
If you are working for a company that faces a similar fate, this downturn does not occur overnight, but over time. There is cost-cutting, staff reductions, operation consolidation and project cancellations. Before bankruptcy, the banks step in to supervise the cash flow; in other words, they say who gets paid, how much and when. Your safety supply vendors are being paid in installments—and many are demanding to be paid in advance.

However, operations continue and exposures to loss remain a threat. Thus, the job of the safety professional remains critical. Motor vehicle accidents still occur, equipment mysteriously disappears and claims frequency can rise. Property loss prevention and environmental protection remain concerns. In other words, things still need to be done to protect people, property and the environment. OSHA does not stop inspecting when a company is on the financial ropes, and injuries and illnesses still occur.

This is a difficult and stressful scenario for any safety professional who has to manage a program in an economic downturn and still maintain effectiveness. This article highlights a true-life experience and offers tips to others who may have to endure this in the future. If you are not sure this is happening to you, let me share a few hints.

- The stock price plummets from \$100 per share to below \$2 per share in nine months.

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Willie Nash Jr.

The Impact of Change

As I grasp the gavel and embark on my term as the Risk

Management/Insurance (RM/I) Administrator, my first order of business is to thank outgoing Administrator JoAnn Sullivan. JoAnn's dedication to ASSE as well as her leadership and participation in RM/I over the years have contributed greatly to the growth and successes of each. Additionally, as a friend, mentor and peer who shares the responsibility for my joining RM/I, she has greatly influenced my role and participation in the Society.

Changes

I believe it appropriate to take a moment to reflect on my first introduction to ASSE. It was in the late 1960s and early 1970s, when our primary focus for addressing safety concerns was to apply the principals of Heinrich's domino theory or triangle of occurrences. For those who thought we were forward-thinking or more sophisticated, there was fault tree analysis with its and/or gates. Accident trending, lost-time injury and reportable injury analyses were based on "per million manhours worked" and ANSI calculations rather than OSHA. My first PDC had hundreds in attendance (as opposed to thousands), and the Society had far less influence in safety standards/regulations development. Our primary sources of safety information were outdated books, and many of us had copies of various ANSI standards on our bookshelves.

Approximately 10 years ago, JoAnn, Mike McKeon and Tim Brun approached me at the PDC in Minneapolis, asked me to join the RM/I Division and serve on the Advisory Committee. Today, the

RM/I Division is a practice specialty and serves as one of the Society's leaders in membership, resources for safety information, risk management trends and concerns, and—more specifically—insurance industry changes.

Speaking of which, what impact has the recent workers' compensation rate increase (20 to 40 percent; or overall increased insurance cost) had on your company and, even more directly, your duties as a safety professional? It seems as if it was just yesterday that our roles changed because companies were down/rightsizing. Over the years—particularly in the 1980s—safety professionals were asked to assume more responsibility in their positions. Once upon a time, we as "safety engineers" simply asked, "What are you doing to reduce injuries?" Now we are "safety professionals" who are asked to participate in budget decisions with regard to safety and claims and/or injury cost reduction, conduct training and protect the public image of our companies.

The OSH Act of 1970 not only changed how safety professionals viewed safety, but for the first time established federal legislative means of contractor management accountability with fines and penalties for failure to protect workers. Although initially rebuffed in its approach and viewed as a policing agency, OSHA today involves contractors and trades and looks to ASSE for assistance in developing its standards. Each political group in office now takes a position on worker safety and standards, including allocating annual budgets.

The 1990s brought in an era of safety as a course of study at many colleges and universities, and provided opportunities for safety professionals to develop many techniques to address safety in the workplace. We learned that:

- Management, and even more impor-

tantly its commitment to safety, is essential to having a safe workplace;

- safety culture plays an important role to having a successful outcome;

- safety professionals needed to broaden our knowledge of the various approaches and concepts of our profession to succeed.

This required greater and instant access to the numerous resources that had become available by way of the computer and Internet. Additionally, we were required to enhance our awareness of the risk management discipline, to broaden our education, and to consider obtaining professional credentials such as the CSP, CPCU, ARM, CHMM, CHCM and CIH.

The Impact

What impact do these changes have on us as safety professionals and on the Society?

Safety Professionals

The change in RM/I leadership has little to no impact on the role of the practice specialty and/or its members to the Society. My goal is to assure you, as members of this practice specialty, that you will be kept abreast of enhancements and innovative changes in our profession and Society updates.

As always, your support and input as RM/I members is not only welcomed but expected since this provides a greater vision of today's ever-changing events. JoAnn will continue to provide valuable input. In addition, her active involvement in the Risk Insurance Management Society will give us considerable insight on the risk management aspect of insurance and safety.

However, I strongly recommend that we each take a moment to assess our positions and roles within our companies. I refer back to an article I wrote last year

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for this newsletter, "Are You Ready?" and ask again . . . are you ready?

•The dot.com industry has taken a dramatic hit; this is having an echo effect on other industries. Will this affect you in some way?

•The new administration is establishing its own agenda regarding legislation pertaining to cost, standards, ADA and Project Labor Agreements the previous administration approved. Have you researched how and if any of this will affect your company?

•Since diversity, societal and political risks are having immediate impact on our companies and jobs, have you considered what you need to do to ensure that you can appropriately address your company's challenges from the risk management, loss control or safety perspectives?

•Recognizing the realities of our everyday lives, each company should now have in place workplace violence and crisis management plans. Do you have a role in this as the company's safety professional, and is it well-defined?

Plain and simple: To remain employed, the impact of these issues requires each of us to be better-educated, more-knowledgeable and effectively prepared to address all the various aspects of this profession. We and ASSE are the leaders of our profession. Let's not lose

On the Nightstand

By JoAnn Sullivan, CSP

Former RM/I Administrator JoAnn Sullivan is here more than just in spirit. She has agreed to continue her popular "On the Nightstand" column.

Nonzero: The Logic of Human Destiny by Robert Wright, (Pantheon 2000). The author does not believe in the chaos theory or randomness of history or human evolution that some historians/ anthropologists have postulated. He feels there is an "aim" and uses the logic of "zero sum" and a non-zero sum" game theory to the development of our complex cultures and civilization. If you took philosophy in college you will recognize truth tables, a precursor to

sight of our importance to all those who are depending on us.

The Society

While other professional organizations' roles in determining the path of safety in society have slipped somewhat, ASSE is "at the top of its game." Over time, the Society has become a major player and resource for safety information and techniques. Its Board and committee members, with input from its diverse societal membership and political contacts, have strategically addressed the many changes brought before them.

The Society's outreach—once mostly domestic in nature—is now global. More international attendees participate in PDCs each year and the opening sessions speakers are more renowned than ever. Through its many authors, journal and newsletter articles, the Society continues to serve as a major resource for its members. OSHA and other regulatory agencies depend on ASSE's input with regard to changes in regulations, standards and methodologies for improving work place safety. To retain this strong position, the Society is looking to each of us to do our part in preparation and with involvement.

force field analysis. Wright applies that process to the decisions and acts of individuals and peoples in history. Applying logic to each major age of human development, he finds that current ideologies, technological advances and the success of democratic systems were inevitable. This is a very well-researched and thought-provoking work.

For those who work in the critical risk areas, loss control and/or crisis management, Wright's book should be of interest as his non-zero-sum philosophy includes a fitness-for-survival perspective—important in the safety, occupational health

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Risk Management vs. Compliance: A Question of Balance

By Mark Briggs, CSP, ARM

Every company and organization must explore the balance between compliance with mandatory regulations and the need to protect employees and the company from risk. Decisions must be made regarding the proper level of effort aimed at enhancing workplace safety once regulatory compliance is achieved. OSHA standards detail minimum legal requirements, yet often fall far short of ensuring employee safety and controlling risk to the company. Excepting the General Duty Clause, many operations and activities are unregulated or inadequately regulated.

Companies that have established safe-

ty programs and are ready to move beyond compliance, as well as those in the initial phases of safety program development, should develop a detailed risk management program. The purpose of this

exercise is to ensure a comprehensive review and analysis of the company's exposures with the intent of ensuring that adequate controls exist. Regulatory compliance, conformance with consensus standards, coordination of insurance coverages, integration of corporate policies and adherence to industry practices are considerations during this process.

Risk Management vs. Regulatory Compliance

Every company has a natural progression related to safety and risk management. Management at many growing companies mistakenly believes that compliance with the plethora of regulatory standards is sufficient to ensure a safe workplace. However, as companies mature, most realize that these regulations offer minimal standards in many instances. Indeed, the standards fail to address many aspects of the operations that expose employees and the company to potential

harm. The company's safety efforts evolve from an attitude of "if only we could comply with the regulations" to a realization that much more is required.

Incorporation by Reference

A quick read of OSHA standards might give a false sense of security regarding the level of safety within a company, and even with the level of regulatory compliance. However, the standards themselves are the proverbial "tip of the iceberg."

Included within many OSHA standards are notations regarding standards of other federal agencies, as well as those

of organizations not affiliated with the government. These standards are incorporated simply by reference and have the same force and effect as those standards that are explicitly detailed.

The mandatory provisions (containing the word "shall" or similar mandatory language) of those standards are adopted as standards under the OSHAct (see 29 CFR1910.6).

By virtue of this method of incorporation, safety professionals must be familiar with a myriad of standards from a wide variety of organizations simply to achieve regulatory compliance. These include:

- American Conference of Governmental Industrial Hygienists (ACGIH)
- American National Standards Institute (ANSI)
- Agriculture Ammonia Institute-Rubber Manufacturers Assn. (AAI-RMA)
- American Petroleum Institute (API)
- American Society of Mechanical Engineers (ASME)
- American Society for Testing and Materials (ASTM)
- Compressed Gas Assn. (CGA)
- National Fire Protection Assn. (NFPA)

•National Institute for Occupational Health and Safety (NIOSH)

•Society for Automotive Engineers (SAE)

•Underwriters Laboratories (UL).

Additional Regulatory Requirements

Aside from OSHA, a variety of regulatory agencies impact the safety profession. These include related disciplines such as environmental and transportation agencies. Additionally, local and regional agencies such as the municipal fire department, the building code compliance division and the local health department may impose specific requirements.

Building codes, fire codes, food service standards, environmental requirements and transportation issues are just a few of the safety-related issues that may be regulated by agencies other than OSHA. These agencies may develop their own standards or may adopt all or portions of existing consensus standards. An example is the adoption of NFPA's Life Safety Code by many governmental entities to regulate related issues within their jurisdiction.

It is the safety professional's responsibility to seek out any agency that may have jurisdiction over the company's operations in order to determine the nature and extent of this regulatory requirement.

Going Beyond Regulatory Compliance

Even after addressing compliance with all applicable regulatory requirements, each organization must evaluate its own operations and exposures in order to determine whether additional action is prudent. If regulatory issues are unclear, this may be the huge gray area that truly challenges the safety professional. Lacking the impetus of regulatory requirement, some organizations fail to address non-mandatory consensus standards and industry-practice issues. This often



Decisions must be made regarding the proper level of effort aimed at enhancing workplace safety once regulatory compliance is achieved.

proves to the bane of an otherwise effective safety and risk management effort.

Although failure to comply with regulatory standards may indeed lead to fines and sanctions against an organization, these often pale in comparison to the exposures from other parties. In today's litigious society, it is often the actions of an unrelated third party that result in a significant loss to a company.

Therefore, the safety professional must take reasonable measures to routinely assess the "expectations" of the industry and society to ensure that his/her company is taking prudent care to avoid injuring others. This is accomplished in various ways, including regular review of industry-wide and industry-specific trade journals, general awareness of the business climate locally and nationally, and participation in local and national professional associations. Information gathered from these resources is used to develop the base knowledge, which is used as the foundation during decision-making processes. Summaries of legal proceedings, a review of editorials and letters to the editor in local publications and involvement with civic groups are additional sources of information to continuously reinforce this foundation.

Integration of Company Policies & Procedures

Many safety professionals find that the difficulties associated with knowing and understanding regulatory requirements minimal compared to the effort involved in integrating these requirements into their company's operations. The political nature of many firms, compounded by differing perspectives, priorities and goals make this integration a challenging proposition.

Without management commitment, the safety professional will struggle to successfully integrate safety and regulatory compliance into the core values of the company. Therefore, the safety professional must understand the company's operations and goals, as well as general business practices. Too often, programs are developed programs, employees trained and equipment purchased without a commitment from management to use these tools. Take the time to develop the business acumen that will make these efforts successful.

OSHA formally recognized the need

for management commitment and employee participation in company's safety efforts in 1989. At that time, the agency issued the Safety and Health Program Management Guidelines, which detail the basis of an effective safety effort. Although this is elementary to a successful safety and risk management program, many professionals would do well to review the information with management and production employees.

If a safety program is to succeed, the safety professional must educate not only exposed workers, but also the entire company. The line worker must understand why s/he is being asked to do something, and management must appreciate the total impact on the company if necessary actions are not taken. This approach extends you beyond the traditional role of "safety director" and establishes you as a risk manager. As a result, your value to the company is greatly enhanced.

All policies, procedures and safety action plans should be completed with the goal of integrating safety and risk management into the core values of the company. This is usually most easily achieved by involving representatives from all levels of the company in the development phase. This allows the financial officer as well as the production manager to participate and provide valuable input.

Successful integration of safety efforts into the core values and goals of the organization is the only means of ensuring a quality, continuing safety effort.

Integration of Insurance Coverage

Purchasing an insurance policy is one of many approaches that can be employed

to insulate a company from unanticipated financial risk. In all cases, these purchase decisions should be an integral part of the company's comprehensive risk management plan. Working with your carrier or broker during the development of the risk management plan ensures cooperation and coordination, and avoids duplication of efforts.

While the purchase of insurance is a complex topic, the general intent in buying a policy is to minimize the financial impact of a potential loss. Additionally, some insurance is frequently required by statute, as is often the case with workers' compensation coverage. The goal of the risk manager is to minimize the need for insurance policies by taking proactive measures to minimize the likelihood of a loss. This is true for all types of insurance. In those cases where risks cannot feasibly be controlled or eliminated, the purchase of a proper policy will protect the company.

When the risk management plan and appropriate insurance coverage are in place, continue to work with carriers to monitor company activities and related exposures. This will allow you to implement changes in the plan or policies as the need arises. Request that your insurance carriers participate in your efforts. This may involve various activities, including claims review, loss control surveys, production and management training or consultation with legal counsel.

Conclusion

Risk management and safety efforts must reach far beyond basic regulatory compliance in order to be fully successful. It is the integration of regulatory standards compliance efforts and successful risk management techniques into a company's culture that creates an environment in which the interests of the company, and society are justly protected. This level of accomplishment is the foundation for a successful, continuing risk management effort. ■

Resources

**OSHA Safety and Health
Program Guidelines**
www.oshaslc.gov/FedReg_osh_data/FED19890126.html

Public Risk Management Assn.
www.primacentral.org

**Risk and Insurance
Management Society**
www.rims.org

Mark E. Briggs, CSP, ARM, is campus risk manager for the University of Illinois, Urbana. He is also the current Administrator of ASSE's Consultants Practice Specialty.

Professional Issues

Career Risk Management

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- There are rumblings that the NASDAQ will delist your company's stock, so it will no longer be a publicly traded company.
- You get your news about what is going on in the company by reading the *Washington Post*.
- Your safety suppliers are not being paid and will not deliver on orders unless paid by credit card.
- Your boss is laid-off and so are close co-workers.
- Your property and casualty insurers send notices of cancellation.

So, You're Having A Bad Day

What to do? You can always look for another job, but for practical reasons, this may not be the right thing to do at this moment. For example, it will take time to find another job. If you are a telecommunications professional, the sector may not be the right choice and you may have to consider a career change; that may take more time. Also, you may be offered a retention bonus and have to commit to stay to the end. Or, you may just want to fulfill a personal and professional commitment to continue to be successful in what you do—in good times or bad. Assuming you choose the latter course, here are some suggestions that may help ensure your career and professional reputation stay intact, even when the company may not.

Aim High

Manage your work life day-to-day. This will help you manage the stress related to the aura of uncertainty that will prevail. Outside of work, engage in activities that will help you maintain good physical and spiritual health. It is important to also maintain an unimpeachable reputation and do good work. This lets others know that your role is important to you and to the company's survival. Sustain your exemplary level of job performance and continue to be good at what you do. The proof is in the delivery and you must maintain a high level of effectiveness. This can ensure that you are considered an asset to the organization.

Be a Willing Resource

Help where you can. Be willing to accept expanded assignments (a decision that may be made for you when additional duties are being doled out). Accept the assignments you are clearly competent in. For example, most safety professionals will have the skill sets to manage the rudiments of environmental and security programs. Others will have experience in claims management, and becoming gatekeeper for all property and casualty claims is not beyond the realm of possibility. If you are asked to do things that are outside the realm of safety management, e.g., inventorying assets at closed facilities, help where you can.

Don't Rearrange the Deck Chairs on the Titanic

Establish priorities, know and do what is important. Work on mitigating threats to the organization's solvency, but do not overlook considering people, property and the environment. Learn how all this relates to cash flow. Remember, lawyers, accountants and investment bankers (and soon the regulators) are managing your company. Communicating in terms they understand will be more effective. Convert your terminology from accidents, injuries and illness to loss of assets, regulatory fines, business interruption, extra insurance charges and loss of service capability.

Address all imminent threats—including those that seem obvious. OSHA is not going to take a day off from conducting inspections and issuing citations. This is one area in which the safety professional can be a proven asset in defending the company. Continue rudimentary training and orientation programs, if possible. Try to avoid giving up on the basics.

You can also develop reports that show recent loss trends. Be sure to add the economic implications of what the graphics are showing. For example, a good leading indication of future costs is the trend in loss frequency. If you believe that frequency begets severity, an increasing trend may be relevant here. But, you may have to convince someone that your conclusions are valid. They may not see it your way when daily survival is the primary objective. For example, you may have to shorten your horizon and consid-

er focusing on individual losses and open claims.

Do not overlook catastrophic exposures and high-risk operations. For example, motor vehicle operations on the ground, electrical safety in switch equipment, and fall protection on rooftops and towers were likely priority issues before the crisis and should remain priority issues. To be effective, be onsite whenever possible. Investigate incidents as soon as possible.

Maintain the viability of critical equipment as well. This will no doubt include uninterruptible power supply systems and battery racks. Also sprinkler systems and clean gas suppression systems need periodic maintenance and vendors who provide those services should be given priority. (You may need to argue to get them paid.) If your insurers are available, ask them to monitor these situations at sites you cannot visit.

Facing a Transition

Although you may be facing a transition phase in your career sometime in the near future, your diligent attention to your employer's risks will bode well for you professionally. Hopefully your employer has benefited. The people you have been working with will more than likely speak well of you and be good references. You at least have the satisfaction that you did a good job. ■

George Pearson is an active member of the International Practice Specialty Advisory Committee. He resides in Ashburn, VA.

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Managing Risk During Uncertain Times

By Steven E. NyBlom, CSP, ARM, ALCM

We are living in a world of change. Facility closures, downsizing, business transformations, mergers and acquisitions, and labor unrest are among issues being handled by industry today. How do you handle risk management issues during these uncertain times? This is a question facing many employers.

Managing risk during uncertain times starts with control measures that should be in place at all times. These include active environmental, health, safety and property protection programs (particularly identification and correction of unsafe conditions and behaviors and adherence to quality standards); attention to claim issues and medical case management; and compliance with regulatory concerns. Quality supervision is critical.

Facility closures present significant challenges given the number of people involved and the need for maintaining historical records. Downsizing, layoffs and business transformations present similar exposures as plant closures, but to a somewhat lesser degree. Developing and communicating sound business reasons for the changes are essential—this helps employees understand what is happening. Federal and state regulations specify actions that must be taken for some facility closures or mass layoffs. For example, the Worker Adjustment and Retraining Notification Act (20 CFR 639) requires employers with more than 100 full-time employees to provide employees with at least 60 days notice of closure or mass layoffs. Consult a labor attorney for specific governmental requirements.

Mergers and acquisitions may include facility closures and downsizing, but most certainly will result in employee apprehension. Thus, communication is critical. The due diligence process is often not completed very well prior to a merger/acquisition. The acquiring company should conduct a comprehensive risk management survey of all new facilities as soon as possible (if not completed before the acquisition). Problem issues should be identified and mitigated as soon as possible.

Labor unrest is sometimes associated with union strikes or negotiations but can occur with any type of workforce. Proper education of supervisors is essential. De-escalation techniques should be understood and followed by all supervisors.

Given the high levels of stress that can be created during uncertain times, a firm should plan for acts of workplace violence and industrial sabotage. This is true at all times, but is heightened given uncertainties. Increased security measures and education for the supervisors is helpful.

Handling Workers' Compensation & Legal Claims

Workers' compensation costs can be minimized with proper planning before layoffs and closures. Some common methods of helping employees deal with the stress of these situations are to offer outplacement services (resume preparation, classes on interviewing skills, referrals to other employers, job placement services), severance packages, employee assistance programs and good communication of the timing involved. Providing counseling and assistance in the completion of unemployment insurance forms is also helpful.

Actively managing claims is as important after layoffs and closures as it is before. Medical case management and regular communication with injured former employees should be in place. Claims that are not managed properly have a tendency to become more expensive. Employees may become disgruntled if they know no job is waiting for them when they recover from their injuries. Medical providers must be made aware that you are actively managing the claims.

Your insurer should be placed on notice to watch out for suspicious claims. Past claims should be reviewed for cases that have the potential to be reopened.

Fraud prevention and detection is also important. Some employees may attempt to file false or misleading claims in an attempt to secure some degree of compensation. The insurer's special inves-

tigative unit should be notified in all cases where fraud is suspected. Incident investigation procedures must be followed for all cases. Investigations should be completed as soon as possible after the incident to obtain the most-accurate information. Refresher training for supervisors on how to conduct an investigation is appropriate as well.

Within any facility, there are often known "problem" employees or high-risk jobs. Increased attention must be paid to these known problems.

One method of gathering information is to conduct exit interviews to screen employees in order to identify those who may be particularly disgruntled or may have been hurt on the job. Asking employees if they have experienced a workplace injury that has not previously been reported can help identify issues that could be handled through early medical intervention and treatment. Having employees sign a statement that they have had no injury helps to discourage them from filing a claim later and can be helpful from a defense standpoint. Pre-termination physicals or medical testing can also be considered to help document employees' physical condition before they are terminated. These can be handled through your medical clinic or by in-house medical professionals.

Preventing discrimination and wrongful termination claims can be handled by good communication, following existing policies and procedures throughout the process, and having a legal review of employee files for those who will be discharged.

Handling Regulatory Compliance & Record Retention

Regulatory compliance is an area that is often neglected if key personnel leave the facility or if supervision is stretched to its limits by other needs. The need to retain key personnel is widely recognized with respect to key production positions, but is

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On the Nightstand

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and environmental fields. His book deals with a more scientifically founded history of the survivability of humankind as people deal with crisis risk management and controlling losses.

The Future of Success, by Robert B. Reich (Knopf 2001). Once again the former Secretary of Labor and college professor has written a book that captures the current ethos of our technology dependent society. This is about the U.S. and how we have exported not only our competitiveness but also our wanderlust. Reich sees the emerging system—the combination of immediate communication, the vast resources of the Internet and our desire to get the best for the cheapest price as problematic to corporations. Think about it as a complete blurring of the brand loyalty that the big names used to have; value and value pricing attract customers for the moment. Search engines allow comparison shopping and brand switching. Is this what we really wanted?

He also examines the need to leave cyberspace and have face-to-face, in-person, intelligent discourse as well as personal time for introspection. Reich is concerned at the commoditization of human effort, skill and intellect at all levels and for all purposes. Especially interesting is his discussion of risk sorting, a phenomenon he feels is eroding social insurance mechanisms, many of which were institutionalized in the 20th century and are being dissected in the 21st.

Reich looks at the real world facing today's workers and their challenges in the face of managing safety, health and environmental risks and crisis while controlling losses and coping with the quandaries that both employers and employees face in this new century. Also interesting is Reich's renewed interest in work-life balance. It's not the traditional dividing time approach . . . you will enjoy this book!

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Managing Risk

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often not considered with respect to the environmental, health and safety professionals. The use of "stay bonuses" can help in closure situations.

During facility closures, corporate knowledge is often lost as records are not properly retained by the corporate entity. These records are often essential during legal or regulatory proceedings that occur after the facility has closed.

Records should be maintained where they can be located as needed. Many records should not be destroyed. Unfortunately, documentation is a problem for many companies. If the records are in the minds of your employees (and not on paper), the knowledge will be lost.

Conclusion

Many organizations do not properly plan for risk management considerations relating to their needs during uncertain times. The risk management and/or environmental, health, and safety departments are often laid off or the personnel leave during

Records to Retain Following a Facility Closure

- Environmental reports
- Industrial hygiene reports
- Employee exposure records
- Facility diagrams
- Detailed job descriptions
- Personnel files
- Medical information including first-aid logs
- Employee handbooks and safety rules
- Material safety data sheets
- Training records
- OSHA 200 logs and inspection reports
- Video of machinery and processes in normal operation
- Quality control records

these critical times. Attempts should be made to keep key personnel at the facility. Existing programs, policies and procedures should be followed or enhanced.

It is crucial that supervisors be properly educated. The supervisors need to understand company policies, procedures and safety rules, and have the interpersonal skills necessary to deal with the employees. This is a fundamental need for supervisors, but many employers do a poor job in this regard.

Risk can be managed during these uncertain times in which we live. We simply need to plan in advance, consider all options, enlist the help of others and follow through on those tasks we know need to be done. ■

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