Step 4
Establishing Policies and Procedures

Policy Statement

A policy statement should be established, outlining the company's risk management goals and objectives. A policy statement defines your organization's culture, philosophy, and commitment to protecting business, property, and people. It also outlines the responsibilities of employees and establishes guidelines for achieving results.

Top management should develop a policy statement, emphasizing that the objectives of the program are to:

- Sustain a prosperous business environment
- Provide a safe and healthy workplace for all employees
- Protect the physical assets of the company
- Communicate to all employees that top management is committed to the success of the program
- Inform each employee that they are to be held accountable for their actions

Top management should hold a meeting with all managers and supervisors to introduce the risk management program. Items that should be addressed are:

- Managers and supervisors should be advised that they are responsible for promoting the program and enforcing rules and procedures.
- Management involvement is the key to making this program work. They should be made aware that they are responsible and accountable for the results of the program and how those results will be measured.
- The Safety Advisor should be introduced and his/her role defined. It should be emphasized that this person is NOT responsible for the results of the program but serves as a resource for the managers.
- A written policy issued by top management should be provided to all employees.
- The supervisors should be tasked to hold a short meeting with their employees to inform them of the details of the program.
- All employees should be required to sign the Company Safety Policy, indicating that they have read and understand it.

Your risk management program should be reviewed and updated annually.

Sample Safety Policies

Corporate Policies and Procedures

Policies and procedures should be developed for all operations within the organization. They become the standard for how the company operates. Areas to consider when developing policies and procedures include:

1. **Analyze Past Incidents and Losses.** Determine what unsafe acts, conditions, or practices contributed to losses. Policies should be developed to prevent recurrence.

2. **Evaluate Your Operating Practices.**
   - Workers' Compensation - Review work practices, existing safety rules, employee orientation, and training procedures to assure that they are complete, proper, and safe.
   - Property - Review housekeeping, flammable material storage, work processes, fire protection, and security.
   - Auto - Evaluate the daily pre-trip inspections on all vehicles. Verify that defensive driving techniques are being utilized, controls are in place to prevent personal use of company vehicles, and management is reviewing MVRs.
   - General Liability - Inspect the premises for housekeeping and hazards to the general public. Review the procedures to obtain certificates of insurance from subcontractors. Quality assurance measures should be present for all manufacturing processes.
• Inland Marine - Review the company procedures for the transportation of cargo and protection of equipment that is left overnight at jobsites.
• Crime - Evaluate the need for a central station monitored burglar alarm system and other security precautions. Review the steps taken to prevent burglary. Audit the bookkeeping and cash handling practices to avoid opportunity for employee dishonesty.

3. **Interview Supervisors and Workers.** Ask them how the job could be done safer. Analyze their comments and develop or modify rules based on their ideas.

4. **Evaluate Your Operation To Eliminate Hazards.** Consider ways to avoid the problem through the implementation of engineering, production or process changes, or the use of alternative materials.

5. **Develop Operating Rules.** Begin by selecting rules that are critical to the job. The remaining items are still important but should be incorporated into training procedures for individual jobs rather than making company rules for them. Safety and operations should go hand-in-hand to assure a sound risk management program.

6. **Distribute the Rules.** Specific rules should be posted only in the area where they apply. General rules should be distributed to all employees and posted in all areas. Rules should be available in all necessary languages.
   - Supervisors should periodically review safety and operating rules in their meetings with employees, especially prior to starting a new process or activity.
   - Post rules in a visible area.
   - Use all opportunities to keep rules visible. For example: place new rules in worker's payment statement and post on bulletin boards.

7. **Require Supervisors To Enforce the Rules.** It's critical that supervisors don't expect the Safety Advisor to be the enforcer. The employees work for their supervisors, not for the Safety Advisor, and it is the supervisor's responsibility to enforce proper work practices. The enforcement of safe work practices should be a significant part of their evaluations for promotions, pay raises, and bonuses.

8. **Enforce Rules Uniformly And Consistently.** A rule is a rule; all employees, especially management, should follow the rules. Management sets the example for the company through their actions.

9. **Review Rules Periodically.** This helps build and establish your "culture." Continually evaluate the need for additional rules and the adjustments to existing rules.

This publication is not part of your policy. This publication is provided for informational purposes only and does not attempt to identify all potential issues, situations, hazards, or remedial actions. FCCI Insurance Group* and its affiliates and subsidiaries are making no representations and providing no legal advice and shall not be liable for any loss, injury, death, damage or expense arising out of the use of this information. You are solely responsible for complying with all relevant laws, including any changes in the law, and for the safety and protection of your operations.

* The FCCI Insurance Group includes the following insurance carriers: FCCI Insurance Company, FCCI Commercial Insurance Company, National Trust Insurance Company, Monroe Guaranty Insurance Company, and Brierfield Insurance Company.