

There are various causes of physical losses, including:

- fire
- crime
- weather

Implementing physical protection may result in direct premium savings such as discounts, and actually save you more money in the long term. First, however, you must analyze the cost of installing physical protection versus the premium savings over time and the potential reduction in losses.

Key Point

Investing in the protection of buildings and other assets can result in significant savings over time.

Risk Management

1. Comply with all government regulations, codes and standards.
2. The building must be suitable for your organization's use. Take into consideration processes, occupancy, surrounding buildings, etc. For example, it may not be appropriate to house activities involving children in industrial areas where there is heavy vehicle traffic, poor lighting or no public transit.
 - Ensure there are regularly scheduled upgrades and replacements of building components that are subject to deterioration over time and with use.
3. Install fire detection and suppression systems where appropriate.
4. Ensure everyone who works in or otherwise occupies the building knows the:
 - location of the nearest fire extinguisher;
 - location of the nearest fire alarm station;
 - location of the nearest two exits; and
 - emergency response procedures, especially their designated responsibilities.
5. Train all employees in recognizing and reporting hazards.
 - Check for hazards that may cause fires.
 - Perform hazard checks where potentially hazardous weather conditions exist or are forecasted. Board up windows, bring loose items inside or secure them outside, etc.
6. Implement an inspection and maintenance policy. This should include finding and repairing the cause of the damage. For example, check regularly for wind and water damage, clean drains, eavestroughs and gutters, repair or replace corroded, damaged, aged, or worn electrical equipment, etc.

Key Point

Whenever a policy is implemented it is important that it be strictly followed and enforced. Not following a policy can be worse than not having one.

7. Implement a policy of good housekeeping to minimize clutter and to remove hazardous dust and debris. When combustible dusts such as sawdust and metal filings accumulate, or when furniture, boxes or other combustibles are stored in large, dense quantities, they can contribute significantly to the spread of fire and hamper fire-fighting efforts.
8. Indicate and enforce designated smoking areas (if any).
9. Comply with all applicable codes and standards regarding storage and use of flammable liquids.
 - Store only the types and quantities that are necessary to have on site.
 - Store flammable liquids in approved rooms and containers, in approved quantities and in proper ways (e.g., small cylinders should be chained in place to prevent accidental tipping).
 - Dispense flammable liquids in approved ways, in areas where the electrical equipment is certified for that use, and where appropriate ventilation exists.
 - Prevent unauthorized access.
10. Reduce cooking risks. Kitchens are common sources of fire because of heating appliances and cooking with combustible liquids (fats).
 - Install and use proper ventilation and grease filters over all frying operations.
 - Regularly inspect and clean grease filters and vents.
 - Unplug all electrical appliances when they are not in use.
 - Install appropriate automatic fire suppression equipment to protect fryers and other heated cooking appliances.
 - Install and regularly inspect fire extinguishers.
11. Develop emergency procedures. For example:
 - Warn people nearby.
 - During a fire, sound the nearest alarm or use a PA system to inform people what is happening.
 - Call emergency services from a safe location.
 - Know the location of at least two exits (one alternative).
 - Evacuate the building in an orderly fashion.
 - Move away from the building and proceed to a designated meeting area.
 - Do not use the elevators; use the stairways.
 - Know the location of and how to operate the nearest fire extinguisher.
 - Perform head counts to ensure that all employees have safely exited the building.

Key Point
Emergency plans must be regularly updated and tested to be effective.

- Do not re-enter the building until it is safe to do so.

12. Create evacuation routes

- Keep aisles clear. Ensure that all furnishings, including screens, coat racks, and potted plants that may be upset under emergency conditions, are out of escape routes.
- Have evacuation plans and escape routes professionally designed.
- Display evacuation routes throughout the building.
- Train employees on evacuation procedures.
- Designate a meeting place that is at least 100 metres away from the premises, where employees can gather after they are evacuated.
- Perform emergency drills.
- Regularly inspect and maintain evacuation routes. Ensure passages are not blocked by items stored in halls. Ensure exits open and close properly and that snow or other debris outside is cleared.

13. Purchase enough insurance.

Claims Handling

1. Follow the company's emergency procedures and evacuation procedures.
2. Contact emergency services if necessary.
3. Complete an incident/accident report. Documenting the incident/accident may help establish defense against a claim presented at a later date, help analyze the cause of the incident/accident and recommend improvements to prevent similar incidents/accidents in the future.
4. If you plan on making an insurance claim, report the incident/accident to your insurance representative. Provide them with:
 - details of the incident/accident; and
 - steps that were taken to avoid the incident/accident
5. Take several pictures of the area where the incident/accident occurred.
6. Take down the names and contact information of any witnesses. Obtain and record detailed descriptions of the incident/accident from the victim and witnesses.
7. Document all information related to incidents/accidents.
8. Investigate potential causes and implement preventative measures.

Additional Resources

Fire Protection Standards

<http://www.hrsdc.gc.ca/en/gateways/topics/fzp-pxp.shtml>

Fire Escape Planning At Work, At Home

<http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/lp/lo/fp/publications/escapeplan.shtml&hs=fzp>

Fire Prevention Canada

<http://www.fiprecan.ca/>

National Building Code of Canada

http://www.nationalcodes.ca/nbc/index_e.shtml

National Fire Code of Canada

<http://irc.nrc-cnrc.gc.ca/catalogue/nfc1.html>

Physical Loss Prevention



Sample 24-Hour Building Checklist

Name of Building:
Date of Inspection:

AM Time:
PM Time:

AM Inspector:
PM Inspector:

Inspection	AM	PM	Comments	Recommendations	Corrective Action Taken
Grounds, sidewalks and steps are free of unusual hazards					
Doors and windows are in working condition and fire doors are closed					
All inside and outside lighting is working					
Restroom fixtures are in good working condition with no major leaks					
Floor is in good condition and hazards are marked with proper signage					
Access to all emergency equipment is clear of obstacles					
Materials are properly stacked and stored according to policy					
Work areas are neat, clean and free of hazardous materials					
Aisles and hallways are clear with clear access to emergency					

Physical Loss Prevention



equipment					
Kitchen facilities are clean and end-of-day kitchen checklist is complete					
Seating area is clean and tables/chairs are hazard free and sturdy					
First-aid supplies are adequate and fresh					
Adequate supply of Incident Report forms					