

## Definitions

**Liability** - A legal responsibility.

**Loss Prevention** - Actions taken in an attempt to prevent losses from occurring.

**Third party** - A person who is not an employee, but who may be injured or have property damaged.

**Statute of Limitations** - A law that limits the amount of time within which someone may file a lawsuit. These vary by type of legal action and by province.

General liability insurance policies normally cover property damage and injury of a third party. Liability loss prevention is any measure taken to prevent or minimize these damages and injuries.

Some common liability losses include:

- Damage to the property that you are being paid to work on.
- Damage to property belonging to people other than clients/customers.
- Injury to clients/customers either on your premises or off premises at a job site.
- Injury to people other than clients/customers who may be in the vicinity of your premises or job site.

### Key Point

An organization can be legally liable for damage or injuries if all reasonable precautions weren't taken to prevent them.

## Legal Liability

All individuals and organizations have a legal obligation to conduct themselves in a manner that is reasonable and that does not willfully or negligently cause injury or damage to others. Reasonable precautions must be taken in the conduct of your operations to prevent such damage or injury. If you fail to take reasonable care to prevent these things from happening, you may be sued and may be responsible for compensating people for their damages. Precautions such as regular inspections and maintenance should be carefully documented.

## Risk Management

1. Take the time to carefully consider the potential liabilities faced by your organization. Decide which are more likely to occur and which could potentially result in the greatest loss. Spend time and resources on the areas of greatest concern that could have the most significant cost or negative impact.
2. Create policies and procedures on how to handle the property of

### Key Point

Carefully consider your organization's potential liabilities and prioritize them to determine where to start.

others.

- Keep property in a secure area.
  - Ensure property is returned to the correct owner.
3. Keep people safe.
    - Do not allow visitors/customers in restricted areas
    - Keep all premises, including parking lots and sidewalks and well lit.
    - Keep the premises neat and tidy. Implement a regular inspection and maintenance schedule.
      - I. Inspect shelves (to ensure they will not collapse and that they do not have sharp edges).
      - II. Ensure equipment is well spaced to avoid clutter.
  4. Perform pre-inspections on property that belongs to a third party before he/she leaves it in your custody. Document these inspections and make a note of any deficiencies.
    - Photograph damaged areas if necessary.
    - Note any repairs or replacements needed.
    - Ensure that the owner and user sign the inspection form. This helps determine that the owner and user are in agreement regarding the conditions of the property.
    - Ensure each party has a copy of the inspection form.
  5. Complete a final inspection before returning the property.
    - The property owner and the user should perform the inspection together.
    - Compare conditions with the pre-inspection.
    - Sign and keep a copy of the final inspection.
  6. Ensure enough employees/volunteers are on staff to protect visitors/customers from harm.
    - Determine the average and maximum number of clients/customers per day.
    - Put more employees/volunteers on duty during heavy traffic periods.
    - Provide training to employees/volunteers.
    - Ensure that employees/volunteers assist clients/customers if they are using hazardous equipment. For example, self-dispensing machines.
  7. Give warning.
    - Place warning labels on potentially hazardous products.
    - Place signs to deter clients/customers from restricted areas.
    - Provide instructions on how to operate equipment, handle materials/products, etc.

8. Implement security measures.
  - Install a security alarm.
    - i. Place signs in a visible location to warn people that a security system is in place.
  - Install electronic surveillance (security camera). Keep in mind privacy restrictions.
  - Keep the premises locked after hours.
  - Implement a key security policy for premises.
    - i. Ensure key-holders are known and that keys are returned after employment or volunteer service ends.
    - ii. Keys should be kept in a safe place.
  
9. Document retention
  - Consider storing a backup copy of records off the premises. If a fire destroys the building, backup records stored offsite will still be available.
  - Consider storing data electronically. Storing data electronically has many advantages such as accessibility and convenient retrieval of data. However, additional considerations such as data security (hackers, crackers, etc.), personnel training and cost need to be considered.

**Key Point**  
Loss of data or records can give rise to liabilities and can mean the loss of records that could be used to defend against claims.

## Claims Handling

When people are injured, they should receive immediate medical attention and, if required, emergency services should be contacted. In addition, the following steps should always be taken when an incident/accident occurs on your premises:

1. Complete an incident/accident report (sample below). Documenting the incident/accident may help establish a defense against a claim presented at a later date. It may also help analyze the cause of the incident/accident and recommend improvements to prevent similar incidents in the future.
2. Contact your insurance representative to determine if the incident/accident should be reported to your insurer. If so, provide them with:
  - details of the incident/accident;
  - information about steps that had been taken to avoid the incident/accident.
3. Take several pictures of the area where the incident/accident occurred.
  - Photograph any damages to the property.
  - Photograph the area(s) where the person was injured.

- Photograph the injuries that the person sustained if possible.
4. Take down the names and contact information of any witnesses. Obtain and record detailed descriptions of the incident/accident from the victim and witnesses.
  5. In the event that a person is injured, instruct employees and volunteers never to admit fault on behalf of the organization. They should say "I'm not permitted by my employer to discuss the circumstances of the incident. I will, however, be reporting the incident immediately, and an authorized person will contact you." Never admit liability!!
  6. Document all information related to incidents/accidents.
  7. Investigate potential causes and implement preventative measures.

## Sample Incident Report

Date of incident: \_\_\_\_\_ Date reported: \_\_\_\_\_  
Time of incident: \_\_\_\_\_ Time reported: \_\_\_\_\_  
Location: \_\_\_\_\_  
Reported by: Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Phone Number(s): \_\_\_\_\_

### Bodily Injury:

Name of injured person: \_\_\_\_\_  
Phone number: \_\_\_\_\_  
Description of Injury:

\_\_\_\_\_  
\_\_\_\_\_

### Property Damage:

Description of Damage:

\_\_\_\_\_  
\_\_\_\_\_

### Incident Description: (use reverse for more detail)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### Witnesses:

Name	Address	Phone

### Incident Prevention:

Was the Incident Preventable? Yes No  
Suggested Corrective Action:

\_\_\_\_\_  
\_\_\_\_\_

Was the incident reported to the police? Yes No

File Number: \_\_\_\_\_

### Attachments:

Attach any photographs of the site where the incident occurred.

Name of photographer: \_\_\_\_\_

Date photographs taken: \_\_\_\_\_

Phone number(s): \_\_\_\_\_

Signature: \_\_\_\_\_