



**RISK MANAGEMENT INFORMATION**  
**WHAT IS LOSS CONTROL?**

There is an old story that tells of the consternation of a group of townspeople over the number of deaths and injuries that were happening from people falling off a large cliff on the outskirts of town. It seems that the cliff provided a scenic overlook for the mountain valley and town below it and attracted large numbers of people to the site. A hot debate raged in the town as to whether it was better to fence the edge of the cliff or provide an ambulance on standby at the bottom of the cliff.

Laughable as it is, the story illustrates a debate that often surfaces when loss control and safety consultants make recommendations to LMCIT member cities. Do loss control and safety recommendations need to be taken seriously? Do LMCIT member cities need to reply to recommendations? What's the purpose behind these recommendations anyway?

The primary purpose behind these recommendations is one of the main foundation pieces of the LMCIT program – to prevent and control losses, and the cost of loss, to people and property by being as proactive as possible. Since LMCIT is a cooperative organization of more than 95 percent of Minnesota cities and their related subdivisions jointly self-insuring their risks, money not spent on loss activity is money that can be used in much more productive ways – to the benefit of all.

From time to time, LMCIT loss control consultants will make on-site visits to LMCIT member entities. These visits are for the purpose of reviewing various premises and operations to try to determine, proactively, those conditions and practices that may expose LMCIT members to loss. When such conditions are noted, they are often related back to the member via written loss control and workplace safety recommendations.

Written recommendations ask for a written response from the LMCIT member to whom they are sent. Why? Because it keeps the lines of communication open for the eventual resolution of handling of the recommendations. This doesn't mean that the recommendations must be fully complied with without question. While every effort is made by loss control consultants to make the recommendations as substantive and reasonable as possible, the recommendations are intended to begin a discussion concerning what is perceived to be a potential problem and, whenever possible, provide possible solutions. The intended final result is a resolution to the problem – for the benefit of the affected LMCIT member, its employees and citizens, and LMCIT members at large.

Communication is the key to make this effort work. If the LMCIT member doesn't agree with the consultant's recommendation(s), then the response should reflect that and provide reasons why

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Consult your attorney for advice concerning specific situations.

there is disagreement. Often, some of the best alternative suggestions for handling recommendations come from the members themselves.

Loss control consultants are trained and experienced individuals, with many years of experience working with public entities and the sometimes unique loss exposures public entities face. But real, long-term loss control and workplace safety results are obtained only when each LMCIT member is serious about working consistently on loss control and safety programs. It means taking "ownership" of their own program as well as the overall loss control philosophy of LMCIT.

Does all this effort work? Well, you be the judge. Since 1986, LMCIT has returned more than \$140 million in dividends to its property/casualty and work comp program members and has been able to hold the line on significant workers' compensation rate increases. Much of this success is directly attributable to LMCIT's members being conscientious about controlling losses and responding positively to loss control recommendations.

Money not spent on claim and loss activity . . . well, you get the idea. With a little bit of luck, and some proactive fence-building, maybe we won't even need an ambulance at the bottom!

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