

# LIVING ON



## The Top 4 Risks to an LBM Business

By Dan Braiman

### **Everyone likes to roll the dice once in a while—**

but on a board game, not when it comes to protecting your business. Lumber and building material dealers face a number of risks every day, risks that could cause injury or death or bring down the business, if they were to become reality. Fortunately, many of these can be prevented if the right steps are taken.

In this article, we look at the top four risks to business owners in this industry and what they can do to mitigate their risk.

### **RISK 1: Commercial Auto**

Getting behind the wheel is such a common task. Many of us are in and out of the car several times a day—so many times, that we forget to take simple safety precautions. Too often, we just turn the ignition and go, failing to adjust mirrors, buckle a seatbelt or put away a cell phone. The same sometimes holds true for commercial drivers.

The U.S. Bureau of Labor Statistics has reported that roughly 40% of occupational fatalities resulted from a transportation incident. Further, 10% of all highway deaths involve a large truck, according to the Insurance Institute for Highway Safety. Sadly, the number seems to be growing, as total deaths increased to 4,102 from 4,023 a year earlier.

Though trucks and cars are equipped with multiple automated safety features, human error is always a threat, particularly in this business where trucking is a regular part of operations. One glance at a cell phone or sudden stop with improperly loaded cargo could cause a dangerous accident (for which the business owner is held responsible). In fact, the National Highway Traffic Safety Administration found that 94 percent of accidents in 2016 were the result of “human choices.”

Taking steps to reduce risk exposure will not only help lumber and building material dealers to avoid a costly accident, but also will help to protect their drivers and innocent bystanders. To protect their businesses, they should build a comprehensive commercial vehicle safety plan. This should include a plan for hiring and maintaining safe drivers, required driver reviews, regular Motor Vehicle Report (MVR) reviews, drug and alcohol screenings, as well as regular training.

**Further, this plan should lay out clearly for employees company policy pertaining to:**

- Distracted driving, including eating, drinking, and cell phone use
- Personal use of the vehicle
- Load securement

## RISK 2: Loading and Unloading

Related to these vehicle accidents on the road is another top risk exposure—loading and unloading.

Consider this scenario: A lumber and building material dealer's employee is operating a crane to raise trusses to a building's roof. With the movement of the crane, the load shifts and falls to the ground. A couple of the trusses strike and seriously injure a construction crew member's arm.

An incident like this is not only tragic for the injured worker, but costly for the lumber and building material dealer as a claim could be filed for hundreds of thousands of dollars. To mitigate their risk exposure, business owners should educate and train employees, and post signage. Additionally, they should encourage those loading and unloading to follow a checklist:

### Loading:

- Ensure securements are appropriate for the load.
- Check the weight of the load.
- Check the packing of the load.
- Double check all restraints.

### Unloading:

- Ensure wheel chocks are in place.
- Ensure driver has moved to safe area.
- Ensure no damage or shifting of the load has occurred during the trip.
- Check if cargo is secured to a pallet or cradle.
- Use special lifts when required.

Finally, in both loading and unloading situations, ensure the area is free of traffic and power lines, and has sufficient lighting.

## RISK 3: Forklift Safety

Though they can be much less intimidating than a flatbed truck, forklifts can pose a significant risk to a lumber and building material business as well if not properly operated. Accidents can occur due to loading and unloading, decreased visibility, or inadequate employee training, among other things.

To reduce their risk exposure when it comes to forklifts, business owners should only use trained drivers. Managers have a responsibility to make sure employees are properly trained and retrained as equipment changes or new hazards enter the picture. Additionally, drivers should follow these steps for safety:

- As mentioned above, make sure the load is secure, and check it repeatedly as it could shift in transit.
- Operate in an open area away from others.
- Keep forks as low as possible at all times when in transit.
- Operate the vehicle at a speed no faster than 10 MPH.

Avoid sudden turns, and lower the forks before parking the forklift.

- Require a daily inspection of the vehicle.
- Have safety equipment on hand.

## RISK 4: Slips and Falls

Finally, slips and falls continue to be one of the largest risk exposures for retailers, and lumber and building material dealers are no exception. If a vendor or customer slips on an icy patch on the business's walkway, that business owner could be held responsible for the injured person's medical costs and possibly more.

By law, business owners have a responsibility to maintain a safe atmosphere for customers. To protect themselves, business owners should keep a record of steps taken to reduce hazards inside and outside the business premises and consider the following in an action plan:

- On an hourly basis, have an employee survey the facility for spills or other incidents that could pose a hazard for customers, document the hazard, and repair it. Post a sign to warn employees and customers.
- On a daily basis, have an employee survey the outdoor area of the facility, checking for ice and potholes among other things. Rope off any hazards that cannot be fixed immediately, and fix other issues immediately.
- Ensure the records are meticulously kept so that in the case of a lawsuit, the business will have a strong defense.

## Tying It All Together

By understanding and staying on top of these and other risk exposures, lumber and material dealers can reduce their risk of accidents, while protecting their customers, employees, and revenue streams. Implementing comprehensive safety and training programs, as well as new technologies where appropriate, will help business owners arm their businesses against common risk exposures, including accidents related to commercial driving, loading and unloading, forklift usage, and slips and falls.

One of the best ways business owners can understand their risk is to partner with an insurer that specializes in risks common to building material dealers. A good insurer can not only assist in identifying risk exposures, they can provide comprehensive insurance coverage and recommend risk mitigation tools to stop preventable accidents from happening in the first place. **LG**

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