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Protect Your Customers; Protect Your Business

By George Forrester, Vice President, AH&T Insurance Manufacturing Division

In today's litigious society, the thought of a damaging product liability lawsuit has many machinery manufacturing companies wondering if they have done enough to safeguard the well being of the end-users of their machinery and to protect themselves against a potentially damaging lawsuit.

According to the Bureau of Labor Statistics:

- Dangerous and defective products cause over \$500 billion in deaths, injuries and property damage annually.
- Crushing injuries and traumatic amputations are most often caused by inadequate machinery guards, improper repairs, improper equipment training, or unsafe work conditions.

Have you done enough to protect your customers and their employees?

Manufacturers have an obligation to design and make safe products. They also have a duty to alert consumers of any potential problems related to their product. Rules and regulations have changed over the years and practices that were deemed adequate in the past fall far short of today's standards. Ask yourself these questions:

- Are you putting the proper safeguards on your machines?
- Are you properly documenting those safeguards in accordance with today's standards?
- Are you properly documenting your entire safeguarding process?

- Are you properly monitoring the machinery you currently have in the field?
- Do you have a process in place to notify consumers of any defects or recalls?

Safety is commonly addressed in the machine design phase rather than as an add-on effort after the design is complete. Design safety is an approach that relies heavily on identifying potential hazards and reducing or eliminating them before problems emerge. Design safety employs the following prioritized approach to hazard elimination and control:

1. Eliminate hazards through the design process;
2. Protect or guard against the hazard.
3. Warn user(s) about the hazard.
4. Train user(s) to avoid the hazard.
5. Provide personal protective equipment.

Safety has become a point of competition and is being used as a marketing differentiator. When all else is equal, buyers will almost invariably choose to purchase the equipment they perceive to be the most safe.

Have you done enough to protect your company?

Product liability and the related costs of litigation are encouraging manufacturers to increase design safety efforts and to keep pace with advancements in design safety. Safety analyses commonly appear in plaintiffs' complaints of negligent design. Hence, the existence of safety analyses and the resulting documentation of safety enhancing and review procedures conducted during the design process and on machines currently in the field, will likely prove to bolster liability defense, provided it is well done.

BEMA has endorsed AH&T Insurance to provide members with the BEMA Risk Management and Insurance program which include safety analyses such as that described above. AH&T's manufacturing team can assist you in implementing and maintaining a successful safety program. For more information please contact AH&T's Manufacturing Team by e-mail at bema@ehtins.com or by phone at 800-648-4807. ■