



A list of best practices for loss prevention to help United Mutual agent partners and members identify the most common hazards that Distributors face every day.

Offered through

Distributors

Best Practices

Products Liability

- ☐ **What products or components are sourced directly from overseas suppliers?**
Products imported directly from overseas suppliers, versus from US-based suppliers, typically result in the distributor being considered the product's manufacturer, which can significantly impact insurability.
- ☐ **End uses of components and for what industries?**
Safety critical products or end-uses in elevated risk industries (aircraft, military, automotive, mining, etc.) could affect insurability.
- ☐ **Any altering, assembly, or finishing/machining of components?**
These added services may increase the liability exposure depending on what's being done.
- ☐ **Vendor's Endorsement obtained from suppliers? Any contracts executed with suppliers? Conversely, additional insured status granted to product suppliers?**
All these measures are effective risk transfer tools.

Property

- ☐ Stockroom inventory must be managed with open aisles and limiting storage heights, especially if the building is sprinklered — observe 18" clearance from regular sprinkler heads and 3' from Early Suppression Fast Response (ESFR) heads.



- ☐ Packaging, shipping, and assembly areas should be remote from warehouse stockpiles.
- ☐ Cleanliness is next to insurability, so maintain routine housekeeping practices.

Auto

- ☐ Delivery vehicles can range from flatbeds, to box trucks, to pickup trucks, to cargo vans, to specially outfitted units; formal fleet safety programming should be strongly considered with fleets in excess of 5 units, and even smaller organizations should employ most elements of a vehicle safety program.



- ☐ Driver qualifications should emphasize clean driving records for 3 years, appropriate experience, and initial and ongoing safety training.

- ☐ All vehicle operators should sign and date a distracted driving policy.

- ☐ Deploy GPS tracking systems to provide oversight of drivers — these are also helpful with logistics.

Crime

- ☐ Install surveillance systems at the point of purchase and at key areas of the warehouse or stockrooms.
- ☐ There should be money-handling procedures that include surveillance, inventory control software, supervision of any employee handling money and checks, accounts reconciled by different staff members, mail pick-up duties rotated, and a minimum of 5 vacation/PTO days taken by associates charged with money-handling responsibilities.

