UC DAVIS ANALYSIS OF RETURN ON INVESTMENT FOR LOSS PREVENTION PROGRAMS

Loss Prevention/Control Initiative	Description	Estimated Benefits	Program Costs	Estimated ROI
Property				
Theft Outreach Program	Campus proposes a theft outreach program similar to program implemented at UCSF that focused on reducing computer thefts. However, UCD would expand training program to talk about theft of other campus equipment. In order to measure success or failure of the program, two metrics would be developed. One based on reduction of computer thefts and the other on total number of thefts University equipment reported to campus police.	General awareness by campus employees of the conditions that lead to theft on campus (unlocked doors, inattention, etc…) and an overall reduction in theft of University property on campus, especially computers.	Cost of program is minimal as template has already been developed by UCSF. Main cost is in staff time to conduct training. An incentive program may need to be offered to have employees attend training.	**2 to 1** ROI is estimated as theft prevention is a behavior based issue that can be modified.
Hot Work Program	FM Global Recommendation: Campus already has a Hot Work Program in place, but it is not enforced and may lack several required elements. Proposal is to evaluate current program to meet regulatory requirements and propose new procedures to help reduce fire losses.	Improved Hot Work Program that will help reduce on campus fires and the cost of fire related claims.	Estimated cost to revamp program is between $10,000-$20,000. This would include staff time (fire department, facilities, etc…) and cost of consultant time.	**3 to 1** ROI is estimated due to minimal cost of the program and the likelihood that program will help reduce related on campus fires
Fire Sprinklers	FM Global Recommendation: Install fire sprinklers in dorms and chemistry buildings. These buildings either have the high potential for fire loss and/or pose a significant reputational risk exposure to the campus.	Reduced severity of fire related property claims and potential damage of reputational risk. Program also has potential of reducing GL related claims from students. Program may also address items on deferred maintenance. Potential to reduce Excess/Reinsurance Premiums.	Total cost is unknown, but will be require substantial investment.	**1 to 1** ROI is estimated as the frequency of such claims is rare.
Seismic Gas Shut-off Valves	FM Global Recommendation: Install seismic gas shut-off valves on selected older buildings.	Based upon information from campus, the campus is not in a seismic zone. There is a potential to reduce Excess/ Reinsurance Premiums with installation.	Total cost is unknown, but will be require substantial investment.	**Less than 1 to 1 - 0.25 to 1** ROI is estimated as the frequency of such claims is rare.

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Auto Programs				
Online Driver Training	Currently, only a small percentage of employees who drive on University business receive classroom driver training. The goal of the online training is to increase the reach and accountability for this type of training.	Increased knowledge of campus drivers of defensive driving techniques that will lead to a reduction of auto related claims. This reduction would also have an impact on WC related claims for drivers injured.	UCOP is considering a proposal for LMS content which may include driver training. If this is true, the campus would incur minimal cost to implement, other than staff training time. If the campus decides for a more customized version of the training, the approximate cost is $50,000.	**2 to 1** ROI is estimated based on training alone. For higher ROI, UCD would want to include techniques for supervisors to enforce safe driving behavior.
Digital Video Event Recording Cameras for Unitrans	This is the latest technology on the market with only two vendors, SmartDrive and DriveCam. Cameras only record 15 seconds before and after a "trigger" event, such as excessive speed or g-force. The concept is that you coach and counsel employees on these none accident events to change future driving behavior. Success of program is based on coaching and counseling.	Dramatic change in driving behavior if employees are coached and counseled after events. Recordings can be used to help defend against claims or to determine early settlement strategy. Program may also help reduce WC auto accident claims. Will also help reduce the potential for fatal bus vs. pedestrian claims which affect reputational risk.	Cost of program is approximately a one time cost $500 per vehicle for equipment and ongoing cost of $400/year for monitoring service. Cost of program should consider position for coaching and counseling employees on driving behavior.	**5 to 1** ROI is estimated based on several studies of technology by end-users. Contingent upon coaching and counseling of drivers.
"How's My Driving" Bumper Stickers	Stickers would be placed on campus vehicles with an 800 number to call if person is not driving safely.	Programs such as these have impact when program is first implemented due to driver concern of someone calling about them, but old driving behavior eventually returns.	Minimal cost.	**Less than 1 to 1** ROI is estimated.
Floor Mats with Slogan	Campus would place floor mats in vehicles with a safety slogan to remind drivers to drive safely.	Minimal benefit is expected as message will become stale in a short time.	Minimal cost.	**Less than 1:1** ROI is estimated.

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GL Programs				
Sidewalk Inspection and Maintenance Program	The current sidewalk program is reactive and primarily repairs sidewalks only after a claim has been presented. In order to ensure the identification of hazards and their timely repair, the campus would establish a routine schedule for inspecting its sidewalks and exterior paved surfaces for structural defects. These inspections should be documented in writing. The documentation should note: the date of the inspection; the name of the inspector; detailed notes of the findings; the measures taken to warn of the hazards found; and the steps taken to make repairs.	Decrease trip/fall claims related to sidewalks and defense to show reasonable care in the event a claim was presented. May also reduce WC claims by employees who trip/fall on defective sidewalks.	Minimal increased cost as personnel and cost of repairs are already occurring after claims occur. Main costs are for a consultant/staff to develop program and train staff on procedures.	**1.5 to 1** ROI is estimated.
Building Walking Surfaces Program	Similar to the sidewalk inspection and maintenance program, the building walking surfaces program would focus on interior buildings floors and stairs. As part of program, monitoring of floor coefficient of friction and use of floor cleaners would be evaluated. Additionally, use of grip strips and other tools to prevent slip/trip/fall claims would be instituted campus wide as part of an routine inspection and maintenance program.	Decrease slip/trip/fall claims related to stairs and building walking surfaces and defense to show reasonable care in the event a claim was presented. May also reduce WC claims by employees who slip/trip/fall on stairs or other building walking surfaces.	Minimal increased cost as personnel and cost of repairs are already occurring after claims occur. Main costs are for a consultant/staff to develop program and train staff on procedures.	**1.5 to 1** ROI is estimated.
Tree Maintenance Program	The campus would develop and implement a written program that details its urban forest management policies and procedures to ensure the consistent application of those policies and procedures. Such a written statement should include, but not be limited to: general operating rules; rescue procedures; use of aerial lift device procedures; climbing & access procedures; hoisting procedures; pruning, trimming & felling procedures; procedures for working in proximity to electrical equipment and conductors; safe use of hazardous equipment, such as brush chippers; safe use procedures for portable power tools; safe use of hand tools; employee training requirements, including first aid and CPR.	Decrease in the potential for GL claims arising out of limbs falling on people. Program would also impact WC claims as procedures would help reduce potential employee injuries when working on or around trees.	Minimal increased cost as personnel and cost of repairs are already occurring after claims occur. Main costs are for a consultant/staff to develop program and train staff on procedures.	**1.5 to 1** ROI is estimated.
Student Alcohol Prevention Program	Program would be directed at helping reduce student drinking off campus through an outreach program.	The primary benefit of such a program is in the reputation of the campus and the potential reduction of students driving under the influence and damaging campus property or injuring an employee.	Program is not completely defined, but cost would expected to be minimal.	**Less than 1:1** ROI is estimated based upon information provided.

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Employment Practices Liability				
Online Discrimination Training	The goal of the program is to expand the current legislative required sexual harassment training to include training on discrimination. Training would be conducted online using the UC's LMS system. Content would need to be developed.	Expected benefit is a reduction in claims related to discrimination and increased knowledge by staff of what constitutes discrimination. This may also reduce WC related claims as claimants usually file a stress claim in conjunction with an EPL claim.	Estimated cost is between $50,000 to $100,000 depending on the number and scope of trainings to be provided.	**1.65 to 1** ROI is estimated, similar to providing sexual harassment training.
Hiring of Professional Investigators	Under current practice, assigned campus staff conduct investigations of EPL related claims. It was determined, that often these investigations were not conducted properly and may have increased the severity of the claims due to their initial handling. By hiring professional investigators, the goal is to help ensure investigations are conducted properly and without bias.	Expected benefit is that overall claim cost will be reduced.	Unknown cost at this time.	**1.25 to 1** estimated ROI.
Development of Online "Fact Finder" Training	In the past, those responsible for Fact Finding were not consistently following investigation requirements, often including opinions. One of the factors is that these investigations do not occur that often that proper procedures are forgotten. The online training tool will serve as a refresher training for those assigned to conduct fact finding to ensure that proper procedures are followed.	Improved Fact Finding investigations that will help reduce overall claim severity.	Estimated cost is $50,000 for the development of an online training program to be used with the LMS.	**1 to 1** ROI is estimated as this does not reduce claims, but attempts to reduce severity of claims without know merit of claims.