

Combustible Dust Exposures

Where do we go from here?



The management of combustible dust risk is becoming increasingly complex. As dust risk mitigation migrates into the regulatory world, associated costs and exposures may become less manageable without a strategic approach. As you may have heard during the June 21, 2011 Property Risk Consulting (PRC) webinar, many best-in-class companies are actively seeking to understand and manage their dust risk with internal and external resources as well as optimize their risk transfer structures to contain costs.

Questions You Should Ask Yourself

- Does your facility manufacture, produce, blend, convey, repackage, or handle combustible dust?
- Are you in a targeted industry from OSHA's National Emphasis Program?
- Do you have best practices in place regarding combustible dust policies, risk evaluation, engineering controls, and ongoing management?
- Do you have access to the needed resources, experts, and associations to support your business case for mitigation improvements?

How PRC Can Help

Checklist Surveys

PRC's comprehensive and tailored checklist survey can help you to quickly evaluate multiple sites to identify "show-stoppers" and prioritize risks in a consistent manner.

Training

- Awareness training: Our awareness training focuses your organization's attention on dust issues. It allows individuals to recognize dust concerns

and understand the active role they can play, and provides them with the knowledge to respond accordingly.

- Custom training: Our custom training is more formal, with the goal of building knowledge and skills to facilitate job performance. These sessions address the management controls, operational controls, and technical controls available.

Site Hazard Assessments

PRC can assist you to determine if a structure or area inside your operations is susceptible to dust explosions. Our experts can then provide loss scenarios, projected loss expectancies, and solutions for various levels of exposure.

Equipment and Electrical Analyses:

We can evaluate mechanical equipment that may produce dust and electrical equipment that may be exposed to dust to determine what controls may be needed. Our evaluation includes physical surveys of the production lines and relevant electrical equipment and products, as well as documentation reviews of process flow, self-inspection, and self audits.

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Pre-construction Plan Review

Through a plan review, PRC can assist in determining possible pre-construction design or mitigation measures that may help to reduce or eliminate combustible dust risks and related exposure factors.

Expertise and Value

- Our property risk consultants are engaged with NFPA committees and OSHA activity, providing the most up to date information to clients on impending rules.
- We maintain relationships with various engineering firms, which can quickly get to real world solutions and business cases for mitigation improvements.
- We have close relationships with our insurance placement specialists at Marsh, ensuring maximum benefit from your risk management dollar.
- We offer corresponding risk mitigation offerings such as emergency response planning, business continuity planning, and real-time crisis management support that provide solutions to dust hazard risks.

Why Your Organization Should Act Now

- Risk managers will soon be asked to provide additional details about dust hazards and mitigation measures. Up-to-date information can help them contribute options and alternative solutions for a “value-added” engineering program, yielding benefits to the bottom line. It also demonstrates an ability to bring proactive solutions to an issue that could substantially harm company assets, personnel, and reputation.
- Business leaders need to understand the operational impact from dust events, the workforce consequences, and their ultimate effect on P&Ls, recovery plans, and contingencies.
- Senior management overseeing complex operations, extended supply chains, or whose organizations are in certain targeted industries such as agriculture, food manufacturing, wood products, and chemicals may soon be faced with regulatory and underwriter-driven compliance requirements.

What You Can Do Today

In our broad experience with dust issues we have seen how best practices and real-life risk mitigation

strategies can come together quickly to successfully act on areas of increasing risk.

- **Align your organization behind one plan:** Compliance, safety, property conservation, and insurance functions all touch combustible dust issues. Cross functional cooperation helps focus on a clear strategy to minimize dust exposures.
- **Act on what matters:** Validate your hazards and mitigation capabilities to focus on solutions that support staff and operational reliability.
- **Be consistent:** Use a set of tools that can provide consistent results from the evaluation of exposures across your enterprise. They should allow you and your firm to choose the level of analysis and depth of study required for your specific risks and for your specific budget.
- **Expand your vision:** Increase your understanding of the risks associated with equipment and processes and how those risks expose your operation upstream and downstream of the area of concern.

June 2011 Dust Webinar Top Takeaways

- OSHA Update
 - OSHA National Emphasis Program continues as do the Small Business (SBREFA) roundtables.
 - Likely timeline for OSHA Comprehensive Combustible Dust Standard to be issued is 2014.
- Risk Management
 - Typical dust issues are migrating from “underwriting” to a regulatory setting where increased costs for equipment upgrades and manpower are likely to be mandated.
 - Expenditures on equipment upgrades and increased manpower require robust business cases so that the costs associated with regulatory compliance are fully understood.

Replay and Contact Information

For those who may have missed the original webinar, or would like to review the information, a replay is now available.

Please note: For some people, this recording may not play back in Internet Explorer. If this occurs, please copy and paste the link into your browser.

<http://usa.marsh.com/Insights/ThoughtLeadership/Articles/ID/4861/Combustible-Dust-Regulatory-Update.aspx>

For additional information about dust exposures and our best practice risk mitigation and management solutions, please contact your local PRC or Marsh representative or:

Phone: 866 9AtRisk (866 928-7475 in the United States and Canada or +1 212 345-9589)

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You can find further insight on www.marsh.com or www.marshriskconsulting.com.

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