

# Club Management versus Risk Management©

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The words, “A representative from the Occupational Health and Safety Administration (OSHA) is here” is enough to put a chill down your spine!

As a former club manager who now specializes in OSHA compliance, I so often hear when soliciting club managers, **we just had an insurance audit and we’re in good shape.”**

Club managers have to be generalists. They have to be knowledgeable in many different fields varying from agronomy to zoology. They have to be current on the latest food and beverage trends as well as very capable at administering to the financial needs of the operation. Then add in politics, inventories, union negotiations, pesticides & pool chemical storage, roof top kitchen exhaust systems and there seems to be little time to get involved with the seemingly dry topic of OSHA.

Recently, I conducted a simulated OSHA site tour for a club in upstate NY and when I presented my findings with the general manager, he stated, “ I consider myself **proactive, why didn’t my insurance company tell me all these things I should be doing?”**

Think back to your learning curve on the insurance bidding process – G.L., numerous **Worker’s Comp multipliers, umbrella coverage, fine art riders, vehicle coverage, D & O,... Didn’t it all seem like Greek to you?** And when it comes to learning about OSHA most businesses (and not just clubs) would like to stick their head in the sand and act like an ostrich.

Shortly after starting my business, I contacted an insurance consultant and inquired if a business developed all the required OSHA policies and had an excellent emergency action plan, would they qualify for a discount on their premium? He simply said NO. There is no premium discount for having any policies in place.

What are the differences between an insurance audit and an OSHA audit? When your insurance company or a prospective new insurance company arrives at **your doorstep, they already know your previous property and Worker's Comp losses.** When they tour your facility, some of these risk managers have an excellent knowledge of the club industry and are aware of the many facets of clubs. **They'll** get from the basement to the roof; clubhouse to the pump house and visit the pool chemical storage area as well as the snack shack. They will discover and report missing machine guards, narrow aisle ways and also request you ensure all drivers of **club vehicles provide their license numbers before being allowed to 'run' any errands.** Occasionally, some of these companies, even tell you that you have to **comply with OSHA's revised Respiratory policy for all your pesticide applicators.** I will say when they visit, they do have an excellent checklist.

When OSHA comes to your door, they are there for one of the following reasons:

- A situation of imminent danger to one or more of your employees
- A fatality or an incident that hospitalized 3 or more of your employees (In either of these two cases, you have to call OSHA and report this information within 8 hours.)
- A complaint or
- A programmed inspection

Once the OSHA representative is on-site, he/she will request to see your OSHA 200 logs for the past 5 years. The log is a compilation of all your occupational injuries and illnesses. **The information is usually culled from your worker's comp forms.** You **are required by OSHA to maintain these logs, post them annually on the employee's bulletin boards between February 1 and March 1 (don't forget the copy for the grounds or other departments)** and retain these records for 5 years. **(Author's note: I do have to state that less than 10% of the clubs I have visited have had an OSHA 200 log.)**

The next request will be to see all your health and safety policies and the records of employee training.

Policies that all clubs are required to maintain:

Hazard Communication Standard including annual Material Safety Data Sheet training

Blood Borne Pathogen Policy - annual training

Emergency Action Plan

Annual Fire Extinguisher Training  
Personal Protective Equipment Policy  
Medical and First Aid Plan

Other policies that your club may have to comply with:

Lockout / Tagout Policy  
Respiratory Policy  
Hearing Conservation Plan  
Lift Truck Policy & Training  
Permit Required Confined Space Policy  
Fire Prevention Plan  
Machinery and Machine Guarding  
Hand & Portable Powered Tools  
Pulpwood logging standard (if you are using chainsaws to provide wood to the clubhouse)

Where do you start?

There are many ways to become OSHA compliant.

You can hire a consultant to do a facility audit, develop your policies and conduct your employee education. Recently, OSHA has changed their rules and a self-audit **(or one done for you) can not be used against you if you haven't adopted all the recommendations.**

If you have a large operation and the budget, you can hire your own safety expert.

The last alternative is to contact OSHA or a state agency to do the review for you. OSHA has a Voluntary Protection Program (VPP) where the audit will be done with no penalties assessed. The facility operator has to correct any deficiencies found. There is one potential downside to contacting OSHA or a state agency – If the **government agent doesn't think you are acting fast enough to correct the deficiency or deficiencies, they'll share their report with OSHA and you'll be subject to the corresponding fines!**

OSHA compliance seems a daunting task, yet I think of the old adage - the longest journey starts with the first step. The hardest part is taking that first step!

#### Penalties for Noncompliance

- Failure to report a Fatality / Catastrophe \$5,000.
- Failure to Post OSHA 200 Summary \$1,000.

➤ Failure to Maintain OSHA 200, OSHA 101	\$1,000.
➤ Willful Violation – Maximum	\$70,000.
Minimum	\$5,000.
➤ Repeated Violation – Maximum	\$7,000.
➤ Serious, Other than Serious & Other Specific Violations	\$7,000.
➤ Failure to abate, for each day beyond deadline	\$7,000.
➤ OSHA Notice	\$1,000.
➤ Posting of Citation	\$3,000.
➤ Falsifying records, applications or reports	\$10,000.

### **Do you have to comply with OSHA**

Yes. What are the chances that OSHA is going to show up at your club? Probably slim. Yet, what are the chances that you will have a serious accident at your club? If you are interested in knowing if your club has ever had an OSHA visit or interested in the same question for the clubs in your area, you can go to the OSHA web site <http://www.osha.gov/pls/imis/industry.html> and enter your Standard Industrial Code (SIC). The SIC code for country/yacht/hunt/beach clubs is 7997, city/athletic clubs 8641. Then enter your state and the time frame you want to research. You will be able to find out whether the visit was from an accident, complaint or planned inspection. Also listed are the types of violations and the amount of the fines. Before I travel to any locale, I always print out the information to share at a chapter meeting – it always stimulates conversation!

### **Budget time approaches**

With the annual budgeting process rapidly approaching, here are a few thoughts and questions for you. Who has money for employee safety training? Who has time? What about tightening budgets, cost cutting, squeezing more money and better percentages from the food & beverage department?

When was the last time your insurance company told you about what you should be doing to comply with OSHA? Have they volunteered to provide audiometric testing to assist you in developing your hearing conservation program?

An insurance industry expert recently told me that the days of highly competitive bidding process and lower insurance premiums are over! He stated that some businesses are now seeing their premiums increase 30, 40 and in some cases, even over 100%!

### **What does the future hold?**

Do you know that the OSHA 200 log is being replaced with the OSHA 300 log effective January 1, 2002? **(There's even a column on the OSHA 300 log for food service establishments that provide employee meals to document employee illnesses from 'bad' food!)**

The ergonomics standard will be rewritten and submitted. Will it become a law next year? Only time will tell.

#### **A closing thought**

With the many hats a club manager has to wear, the board should ensure that adequate funds are spent on risk management and employee education.