



# Distributors

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

## 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.

