

Managing risks in any retail environment

While we're here to pay to claims if the worst happens, we also want to keep you and your property safe and secure.

Retail businesses come in all shapes and sizes, and can be found everywhere from city centres to rural towns. But whatever size of business you have, the risks are often the same. High value or attractive products, goods storage or cash on hand can increase the theft, burglary and fire risk for example.

Stock rooms can also present risks – from stacking heights of combustible products, water damage, and collapse of storage racking and shelving. Here are some suggestions to help mitigate the risks, while looking after your business and your customers.



Keeping your site safe



The premises should be kept secure and in good condition and not afford easy access to the interior of the building.

Best practice

Ensure that there is a regular maintenance schedule in place that checks:

- Any water drainage system is unobstructed. e.g. clear gutters, channel drains and yard sumps, especially where there are large trees.
- There are no holes in fire walls and that any fire doors can close freely. Keep areas around fire doors clear of obstruction.
- Fragile or exposed cladding be protected with bollards, barriers or steel bars to prevent impact damage occurring.

Must haves

- ✓ Keep all exterior cladding in good condition, and check access doors, windows and their locks, latches and hinges are in sound condition, firmly secured to the building structures.
- ✓ Secure any access roller doors after-hours with pins and padlocks. For any motorised doors the electric open/close switch should be locked. For manual doors lock the chain to the building or door frame.



SUNCORP

PART OF SUNCORP
NEW ZEALAND

Watching out for water damage



With routine checks and a proper plan, the risks can be seriously reduced.

Best practice

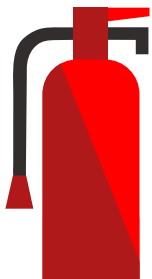
- Plumb washing machine and dishwasher outlets into the wastewater pipe, not simply with the waste pipe hooked over a sink.

Must haves

- ✓ Know where the water shut off valve(s) are for the water supply. Where possible, shut off the water supply during extended shutdowns or when not needed e.g. over the summer holidays or in an unoccupied building.
- ✓ Ensure flexi-hoses are checked regularly and replaced if showing signs of damage – or every 10 years otherwise.

- ✓ Check shower enclosures for signs of deterioration, especially to the wall boards/tiling.
- ✓ Inspect plumbing, water pipes and waste lines for leaks, damage or corrosion. Check that all basins, tanks, etc have overflow facilities. Process tanks should be banded.
- ✓ Check and clean the roof regularly. This is important before the winter season and after storms. Pay attention to membrane-style roof coverings as these have a limited life and can be affected by environmental exposures.
- ✓ Check flashings where the walls and roof meet, and also pipes and skylights where they penetrate the roof covering.

Fire protection



Having the correct equipment in place can reduce the potential for loss.

Best practice

- Ensure that staff are trained in the use of the fire extinguishers.
- Consider installing a monitored fire detection system that's fitted with smoke and heat detectors – but make sure the detector unit you choose is suitable for your site to avoid false alarms. Ideally it should meet the standards of NZS 4512 but it could be more economical to link fire detection to the intruder alarm system.

Must haves

- ✓ Provide fire extinguishers throughout the shop. Most fires start small – fire extinguishers are useful in putting these out and containing the spread. At a minimum, install 4.5kg dry powder or 3.5kg CO2 units. The bigger the shop the more fire extinguishers you'll need. Contact your fire equipment supplier for tailored advice.
- ✓ Ensure that in sprinkler protected buildings product, promotional displays and stock heights are controlled and compliant with sprinkler rules, and that fire sprinklers aren't obstructed by storage or partitions.

Maintaining a secure shop



Good physical and electronic security can reduce crime. Such as break-ins and ram raids.

Best practice

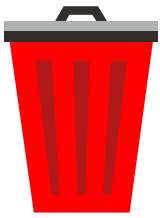
- Keep the inside and outside of the shop well-lit after dark. This reduces the risk of burglary, malicious damage and arson. Consider installing LED based lighting as this provides a cost-efficient solution for high level lighting.
- Consider investing in physical security barriers especially around the entrance, side glass, accessible windows and skylights. Options include door jamb protection, fixed security bars, fixed security grilles, expanding doors and roller grilles. You might also want to consider security film lamination on windows to prevent smashed glass.
- Install bollards, if this is an option, to the front of your shop to deter vehicle attacks. Ideally concrete filled pipe, 115mm diameter as a minimum, concreted into the ground or with concreted footing. Other types of bollards and methods of fixing provide less protection.
- Explore the option of securing anti-ram beams to the building wall if bollards cannot be installed.
- Invest in heavy street furniture or planter boxes as a deterrent, in combination with your other physical security.
- Think about getting random, regular after-hours security patrols.
- Fence any yard areas with a high fence and strong gate. Padlocks should be closed shackle or protected by a sheath over the padlock to prevent it from being cut.

- Don't leave padlocks unlocked on the gate during the day, as someone may swap this for their own lock for which they have a key.
- Install quality dead locks on all shop access doors, and anti-jimmy strips to all external doors.
- High value stock should be kept away from front doors, and jewellery or high value items should be locked in safes.
- Consider installing one or more fog cannons in shops if you're selling high-value items.
- Provide electronic theft tags to prevent shoplifting.

Must haves

- ✓ **Protect your shop with a monitored intruder alarm with a security patrol response. Alarms should be professionally maintained and checked annually, and make sure alarm sensors are not obstructed. A mobile or modem back up is recommended, and all staff should have individual access codes. A panic alarm to NZ Police is also a good idea.**
- ✓ **Install high definition CCTV for internal shop and access point coverage. Ideally, monitored infrared and motion activated hardware should be considered so clear images can be recorded in low light.**
- ✓ **Do cash banking at least once a week, with any daily large cash amounts deposited to a cash rated safe in the shop office. Ensure safe locking mechanisms, digital pin codes and batteries are checked at least annually.**

Housekeeping

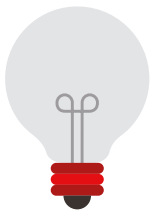


Good housekeeping will reduce the risk of fire and other losses.

Must haves

- ✓ Keep display floors and stock rooms neat and tidy. Keep stock away from electrical switchboards and other ignition sources. Raise stock off the ground, this reduces the risk of a water leak damaging the stock.
- ✓ Ensure external waste bins, pallets, skips or cardboard disposal bins etc. are kept well clear of the building, and where possible, lock or secure their lids in the closed position. Ideally, keep these at least 10m away from the building.
- ✓ Keep electrical services rooms/ server rooms free of clutter, stock or anything else that doesn't belong there.
- ✓ Maintain a 1m distance between products, displays and bulk storage and heaters and lights.

Electrical and lighting



Faulty or damaged electrical systems can lead to fires.

Best practice

- Test and tag all portable electrical equipment. Use of extension leads and power boards should be kept to a minimum. Damaged leads and boards should not be used.
- Identify elevated temperatures (which can indicate potential failure) and overloading of switchboards using thermographic imaging.
- Arrange periodic verification (visual inspection and limited testing) for older switchboards, especially where there are ongoing electrical problems or where the electrical system shows wear and tear. An electrician can help here. Periodic verification provides a comprehensive check of the entire electrical system.

- Ensuring lighting systems are in good working order – consider replacing HID and fluorescent lights with LED lights

Must haves

- ✓ Get an electrician to undertake regular checks for elevated temperatures and overloading.
- ✓ Maintain all electrical equipment according to the manufacturer's guidelines.

Management controls



There should be controls in place to manage activities that could result in a fire or loss.

Best practice

- Ensure fire extinguishers and other fire protection equipment are checked and maintained annually.
- Make sure staff are aware of the risks and the importance of keeping good housekeeping. Ensure that staff are aware of opening up and closing up procedures, security protocols and after-hours contacts for emergencies.

Must haves

- ✓ Have a robust self-inspection routine – this could be a simple look around all areas to see that everything is as it should be, making sure products are displayed and stored properly, that stockrooms are neat and tidy, that there is no combustible storage near ignition sources such as switchboards, and that extension leads and power boards are not overloaded.
- ✓ Control smoking on site and limit this to a designated smoking area equipped with suitable containers for the disposal of cigarette butts, matches etc. The smoking area should be free of any waste bins.

Visit vero.co.nz/risk-profiler to check out our other advice sheets for more tips and in-depth information about managing risk.

vero

Disclaimer – The information presented is of a general nature only and is provided only to help you understand some of the physical risks a business may have and what an insurer might expect you do to manage those risks. It is not intended for any other purpose. You should always seek appropriate professional advice about how you manage the particular risks in your business. No representation or warranty, expressed or implied, is made as to the accuracy or completeness of the information and no responsibility is accepted for any loss, penalty or damages (including special or consequential damages) arising out of the use of all or part of the information. The information presented does not replace the need for appropriate professional advice. Reliance on this communication will not affect or influence policy response.