



## How does this affect your company?

In all businesses changes occur when modifications are made to the facility, process, equipment or personnel.

The most radical changes occur during major construction projects, whereas changes in process,

equipment or personnel can be much more subtle. All such changes must be managed carefully to ensure they do not introduce new hazards that could increase the risk of property damage or business interruption in the facility.

Poorly managed changes could result in a catastrophic fire or another type of loss.

## Why does this affect your company?

Changes large enough to be considered capital projects are obvious candidates for management of change (MOC) procedures. The construction of a new plant or extension to an existing facility should always be subject to MOC procedures. An example would be introducing combustible construction in the form of metal panels insulated with foam plastic without understanding the significant fire exposure to your business created as a result.

Changes involving smaller and less obvious projects can also cause unexpected losses. An example of this could be changing the type of adhesive used on a production line from a non flammable, (often expensive), to a much cheaper type that is solvent based and flammable. This change will require fume extraction, earth bonded safety dispensers, storage in a specially designed cupboard, and explosion rated electrical equipment within the vicinity of application. Suddenly a small change of the adhesive introduces a number of additional hazards. If these are not managed correctly and risk engineered, they will increase the fire risk in the facility significantly.

## The main features required for an effective management of change system:

- Establish appropriate and consistent terminology
- Keep the procedure simple and easy to understand
- Define roles and responsibilities
- Define the scope of the MOC system
- Integrate MOC with company policies
- Establish requirements for review and authorisation
- Issue guidelines for key MOC issues
- Develop a written description of the MOC system:
  - How to identify likely change situations
  - Establish 'request for change' review and approval procedures
  - Design MOC system documentation
  - Define training requirements
  - Develop communication between the MOC team and senior management
  - Provide adequate training for the specific roles and responsibilities in the MOC system

The most important factor is that the checklist should become part of the company's procedures.



## What could happen to your company if you don't take these steps?

Inadvertently introducing a new special hazard as part of a process change or increasing combustible loading without ensuring the proper safety measures are incorporated as part of those changes could expose your facility to a significant fire and resulting business interruption.

In order for this type of programme to succeed it is essential that management demonstrate leadership and commitment. The MOC process must be provided with adequate resources. As with most aspects of loss prevention and control, it is essential senior management understand what is at stake if things go wrong.

For further information on Management of change please contact your local Tokio Marine Kiln office or contact:

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## What should your company do/have?

### Safer alternative

Whenever considering changes always look for the solutions that are inherently safer. It is better to eliminate a hazard than try to reduce the risks through physical changes or procedures.

### Contact

Advise your local Tokio Marine Kiln office of the proposed changes. The assigned risk engineer will then provide valuable and cost effective loss prevention advice.

### Project review

Once a project has commenced, Tokio Marine Kiln will formally review the drawings and relevant information.

### Management

The management should support and lead the MOC procedure. Suitable resources should be provided to support the procedure and adequate time incorporated into project plans to allow for the process to be applied.

### Monitor

Establish a procedure for the audit of the MOC procedure to measure the performance and effectiveness. It should be recognised that all changes will not require the same level of review. Plant personnel should examine random examples and verify that the MOC programme was correctly implemented. If the system has not been applied correctly or it has not been effective then suitable actions should be taken to rectify the issue.

### Integration

Integrate the MOC procedures into existing plant and operating processes. The safety procedures should not be compromised and need to be analysed before implementation.

### Guidelines

Written guidelines should be produced and implemented for the MOC system. These should address roles, responsibilities, scope and activities. The procedures should incorporate technology, equipment, facilities, chemicals, health and safety, loss prevention, fire protection, temporary changes, acceptance testing, and verification testing.

### Request for change

Establish a procedure for requesting and managing changes. Simple flow charts with accompanying written procedures will simplify the process and help to ensure implementation. The change process should allow for relevant reviews, actions and approvals before a change is implemented.

### References

- Fire Risk Assessment – HM Government 2006



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