

COVID-19 PANDEMIC: PROPERTY LOSS PREVENTION

Chemical Processing Industries

At FM Global we remain committed to providing our clients with the best property loss prevention advice to keep your facilities resilient and safe, particularly during these challenging times. Industry is adapting rapidly to the new demands caused by these challenges. These can have an impact on property risks and resulting business interruption for the chemical process industries. Trends we are observing include:

- A restriction on the number of individuals allowed on-site to reduce exposure to employees
This has resulted in the following challenges:
 - A reduction in site staffing levels, with all nonessential personnel working from home
 - Deferred maintenance and other actions deemed “noncritical”
 - Delayed or deferred major outages and turnarounds
- Reduced production or idled facilities caused either from on-site pandemic concerns or a lack of demand in the marketplace
- Changes in production to make essential goods needed for the global pandemic response, including manufacturing products such as hand sanitizer and PPE
- A general economic decline and low oil prices have financially stressed many organizations, resulting in cuts in discretionary spending

PROPERTY LOSS PREVENTION ADVICE

To assist you in your efforts to mitigate the potential impact of these risks in this sector, the following loss prevention advice will help keep your properties resilient and safe.

- Safety Culture and Process Safety
 - Maintain corporate and site discipline to ensure a strong safety culture remains in place at all levels. This includes discipline in challenging financial situations. This may include corporate/C-suite messaging on the importance of safety during these challenging times.
 - Maintain Process Safety programs at a high level and use a Process Safety methodology to manage risk introduced as a result of the pandemic. The Center for Chemical Process Safety has developed guidance on managing Process Safety during disruptive times, which can be found [here](#).
 - Establish a Pandemic Risk Assessment Team to review critical risks introduced to people, facilities or equipment as a result of the changing conditions. This group should have stop-work authority if risks exceed appropriate levels.



- Reduced Staffing and Deferred Activity
 - Ensure adequate staff is always on-site to complete critical tasks. This includes emergency response functions, emergency shutdowns, etc. Criteria should be established for when a site should shut down because of an inability to maintain sufficient staff.
 - Conduct a Management of Change evaluation (MOC) for all deferred maintenance outside the accepted maintenance interval for any pieces of equipment.
 - Conduct an MOC for all outages/turnarounds deferred beyond the established outage interval for the site. The MOCs should be done on a unit-by-unit basis. Consider all safety/reliability critical activities that were planned for the outage and the risk created by deferring these.
 - Ensure all safety-critical systems, including fire protection remain in-service. This includes the appropriate inspection testing and maintenance to ensure reliable performance.
- Idle facilities or Significant Capacity Reductions
 - Ensure there is a central tracking for all idle facilities within the organization. Were facilities shut down in an orderly manner or did any “crashes” or accelerated shutdowns occur?
 - Ensure equipment has been laid up in a manner that preserves the equipment and permits prompt restart. That includes flushing, inerting and purging equipment, etc.
 - Ensure that Pre-Startup Safety Reviews (PSSRs) have been completed prior to restarting any operation.
- Changes in Production
 - If switching to new products not previously produced (such as hand sanitizer), conduct an MOC prior to initiating operations.
 - Do not initiate new operations that introduce fundamentally new hazards to the facility, for which the equipment was not designed, or operators have not been trained in.

USEFUL RESOURCES

These FM Global resources can provide you with additional information:

- [Pandemic Cyber Loss Prevention Checklist – Information Security](#)
- [Pandemic Property Loss Prevention Checklist](#)
- [Temporary Production of Hand Sanitizer](#)

For more information and methods for addressing loss prevention concerns at your facility, refer to the free resources on FM Global’s website at fmglobal.com. FM Global and AFM clients can contact their account engineer.



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