





Risk Management 101

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What You Need to Know



In The Beginning...



In The Beginning...
There were Humans...



In The Beginning...
And Beasts...



And the concept of Risk was born...



Risk

- Always been with us
- Viewed as a negative
- Attempt to reduce



Trial and error is not the best risk method!



Your past is your friend





Understanding Risk Is Not Hard



Sometimes it is what it seems!



Some Basic Knowledge



Risk Management

The forecasting and evaluation of financial risks together with the identification of procedures to avoid or minimize their impact.



Risk Management Objectives

- Have Mom, Dad, Child go home unharmed & feel safe
- Save Money
- Make uncertainty tolerable
- Prepare for the unexpected (emergencies)
- Comply with laws & regulations
- Maintain good reputation
- Improve productivity



Risk Management

The *iterative* framework and processes for:

- Identifying threats
- Assessing
- Evaluating options
- Acting
- Monitoring
- Change/Modify





ACT

A ction

C ommunicate

T rack



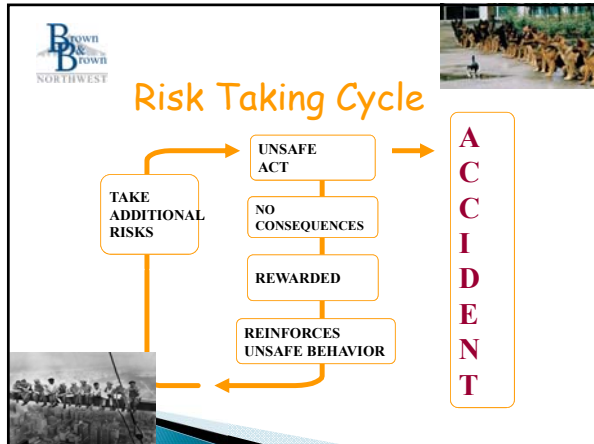
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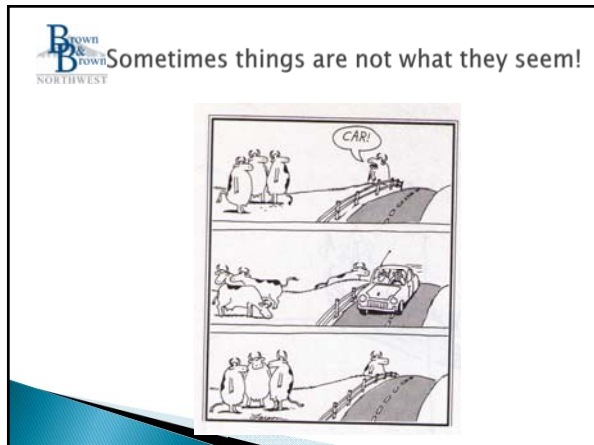
G oals

R oles

I nterpersonal

P rocess





BROWN & TOWNE NORTHWEST

So Now you're a Risk Manager





What is a leader?

Leadership =

Supervision + Accountability



Building Your Team

- Directors
- Managers
- Supervisors
- Agents
- Legal
- Insurance staff
- Vendors
- Contractors
- OR-OSHA
- Other Public Entities



Accountability System

Rules, policies and procedures

Standards for measurement

Rewards and consequences



What is the Big picture!





Case Study

7th Graders at the Malala Education Center (MEC) will be heading to field trip in Washington D.C. to visit a Smithsonian. The trip is to last 4 days. Wednesday-Saturday during Spring Break. There are 12 boys and 12 girls. The Teacher, Assistant Principal will be coming as Chaperones, and they have requested 2 parents to come and chaperone.

The chaperones and students are to stay in a Motel 6 Hotel (if you google this hotel you'll see why we chose this one for the activity). The chaperones are to stay on the first floor and the students on the second floor. The hotel is a few miles from the Smithsonian, so they will be using (2) 15-passenger vans to transport the students and chaperones. They will arriving into DC and back into Portland via Spirit Airlines.

Meals:

Wednesday: They will have dinner at the Daily Grill, an expensive but family friendly restaurant with multiple locations throughout D.C.

Thursday: Breakfast will be at the hotel, lunch will be at the Smithsonian Cafe (kind of pricey)

Friday: Breakfast will be at the hotel, lunch will be at the Lincoln Waffle House (more affordable, but there have been reports of food poisoning)

Saturday: Breakfast at hotel, lunch at the airport.

For dinner: The teacher thought about saying it would be up to the students and the chaperones. Everyone will get split into groups and as a group they can choose where to go. Since it's so vague, it poses a risk of students going to places that may not be sanitary or safe or too overpriced.



What is the risk? How do we solve it?

Your goal is to make this trip possible by creating the best plan that keeps kids safe and protects the School District?

Question you might want to consider:

1. What is at risk?
2. What could go wrong?
3. What needs to be put into place before the trip is approved?
4. What is the worst thing that could happen?
5. How do we solve these questions and move forward?

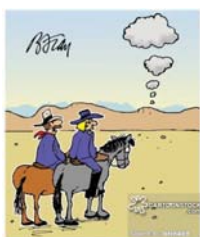


REPORT OUT

Let us here your good ideas



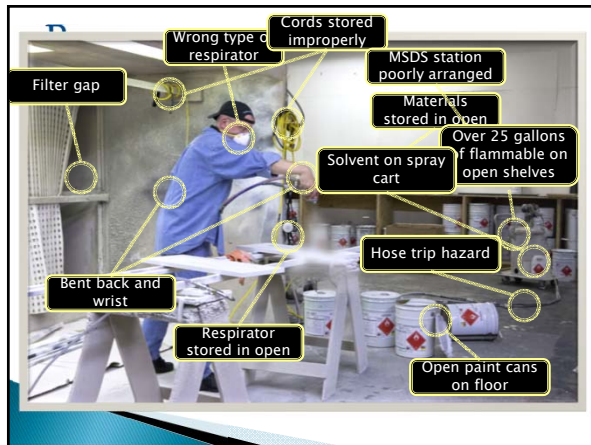
Make sure you communicate clearly!



"IT DOESN'T LOOK GOOD, SIR...
THEY JUST UNFRIENDED US!"



Your life will never be the same!





So Now What do I do?



1st Quarter

Assemble Policies/SOP's
Risk management manual
Emergency plans
Safety program
Budget
CAFR
Insurance policies
Contract rules

Meet with Administrator
Role of risk management
Tolerance for uncertainty
What do they see as the biggest risks?
Commitment to safety
Best method to communicate



1st Quarter

Market Risk Management & Yourself

Meet with Department Directors /Managers
Expectations of services to be provided
Safety attitude
Identify exposures and concerns
How best to communicate

Meet With Support Managers
Establish alliances
HR
Legal
Contracts
Finance
IT



1st Quarter

Set Up Teams
Executive Risk Management Committee
SafetyNet (Safety Committee Chairs)
Critical Claims Team (review all absences over 5 days, not including vacation)

- Legal
- HR
- Finance

Special Events Team

- PW
- Transportation
- Police
- Parks



1st Quarter

Meet with Outside Partners

Establish expectations of services to be provided

Insurance Broker

Adjustor/TPA

- Claims review – liability
- Claims review – workers' compensation

Legal counsel

Safety professionals

Goal Setting

Reduce number of claims

Prepare annual report

of training sessions offered



2nd Quarter

Budget

Allocation/assessment methodology

Analyze prior expenditures

Develop PS & M&S: retained claims, premiums, safety, training, conferences



2nd Quarter

Analyze/Document Property Policy

Rate History

Perils covered

Claims procedures

Deductibles

Exclusions

Locations

Co-insurance

Extra Expense

Business interruption

Agreed value

Valuation History

Claims



2nd Quarter

Analyze/Document Workers' Compensation
Rate History - Experience Modification Factor
Claims review
Adjusting team
TPA contract
Excess insurance and rates
Mine past excess insurance limits
OHS 300 log
Employee at injury funds
Return to work procedures



2nd Quarter

Analyze/Document Liability Coverages
Excess insurance policy review
Mine historical SIR's
Review internal fund management policies
Identify insurer provided loss control services
Analyze past claims
Claims reporting procedures
Claims made vs occurrence
Coverage for special risks
 Public officials liability
 Federal claims
 Auto claims
 Special events



3rd Quarter

Inspection of all facilities
Description of facilities & premises
Construction type
Fire suppression systems
Description of operations
Number of staff on premises
Public access
Emergency supplies (generator, food/water)
Underground storage tanks
Storage of hazardous materials
Security/camera's
Communication



3rd Quarter

Review Special Risk

Volunteers
Special Events
Police procedures
Fleet procedures
Privacy security rights
Parks/playgrounds
Jails
Workplace Violence



3rd Quarter

Review Environmental Issues

Underground storage tanks
Storage of hazardous materials
Hazardous waste disposal
Contracts for waste haulers
Right to know communications
Drug houses policy/procedures
Landfills



4th Quarter

Emergency Management

Role
Policy/Procedures
Communications
Evacuation
Annual exercise



4th Quarter

Fleet

Number & type of vehicles
Policy on personal use
Driver qualifications
Rental vehicle policy
Non-employees driving?
Accident reporting
Drug testing for CDL's
Uninsured motorist policy for self-insured's



4th Quarter

Training

Supervisory
New Staff

Safety Training

Hazardous communication
Respiratory protection
Blood borne pathogens
Personal protective equipment
General accident prevention
Lock out/Tag out
Confined spaces
First Aid & CPR
Accident Investigation
Ergonomics
Fire protection
Lifting/Pushing/Pulling
Defensive Driving



Never, Never, Never, Never Give Up!

-- Winston Churchill



Discussion?

Questions?
