

Reducing Your Risk and Exposure



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Risk Management – at its finest



Reducing Your Risk and Exposure



- Do you feel that your entity is properly protected against serious losses?
 - The Police Officer and the Mentally Ill Subject?
 - The inquisitive child at the soccer field?
 - The building inspector just doing his job?
 - The sick inmate?
 - The funeral escort?
 - Enforcing your ordinances in municipal court?

Risk Management – at its finest



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- ISO Standards - (International Organization for Standardization) identify best practices for the manufacturing and service industries with the focus on creating a more efficient effective operation.
 - ISO 31000 defines some minimum expectations for all sizes of organizations on the design and implementation of risk management
 - **Create a framework for managing risk across the organization**
 - ISO 31004 provides the implementation guidance in designing the risk management program for the organization
 - ✦ needs to create value as well as protect value
 - ✦ transparent and inclusive
 - ✦ dynamic and responsive to change
 - ✦ systematic, structured and timely
 - ✦ facilitates continual improvement to the organization

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- **Performance Management - how we track & demonstrate results**
 - Your organization needs to have performance measures
 - Your organization should have activities (things you do), output (immediate result), outcome (ultimate goal that the activity and output supports)
- **Risk Attitude - also called 'risk tolerance', 'acceptable risk', 'risk appetite'**
 - Your organization may not embrace uncertainty, preferring 'zero' risk in decision making or ignoring it altogether
 - SIR (Self Insured Retention) levels can be adjusted based on risk attitude
- **Risk Activity - people, processes and systems in place to help manage uncertainty**
 - Your organization is currently managing a wide range of risks: you can see that from resources that exist, plans and priorities that are being pursued

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Reducing Your Risk and Exposure

- Risk Management Committee
 - ✦ Fresh ideas on a quarterly basis
 - ✦ Different Perspectives

- Accident Review Board
 - ✦ Review all accidents over a certain threshold
 - ✦ Disciplinary Measures
 - ✦ Wide variety of Departments

- Contract Review and Consistency

- Credentialing Your Employees
 - ✦ Review Driving Records
 - ✦ Volunteer and Employee Background Checks
 - ✦ Pre-Employment Physicals

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Reducing Your Risk and Exposure

- Do you really know the terms of your insurance policies?
 - ✦ Intentional Act Exclusions
 - ✦ Control of Settlements
 - ✦ Definition of Insureds
 - Volunteers and Boards
 - Individual Capacity vs. Official Capacity
 - ✦ Inclusion or exclusion of defense costs
 - ✦ Claims Made or Occurrence Based
 - ✦ SIR or Deductible
- Do you want insurance executives scripting these policies or public entity risk managers scripting the policy?
 - ✦ Alternative Market Policies

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**Commit to a Risk Management Program-
You can't afford not to !**