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Risk Management Template

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Policy Statement

- Signed by CEO
- Communicate to all employees
- Stating that it is the organization's policy and goal to maintain a safe workplace for employees, to protect the safety of clients and to conserve the assets of the organization
- Stating it is everyone's responsibility to cooperate to achieve the goals of the risk management policy

Designate the in house risk manager – That person is _____>

Who should be involved in the risk management decisions:

- Point Person >Designated "Risk Manager"
- Human resource manager
- Key people from all departments
- Independent risk management consultant or knowledgeable insurance broker

Essential Components of The Risk Management Plan:

- **Identify Sources of risk exposure**
- **Evaluate or analyze risk exposure** (measure the cost of the risk to the organization)
- **Treatment of risk exposure**
- **Monitor the plan**

Sources of Risk Exposure:

- **Property:** Loss of real, personal, owned, leased, rented or owned by others; includes theft or embezzlement
- **Indirect:** Extra expense, loss of income, loss of valuable lease or location
- **Liability from:** Employees, clients, vendors, public, vendors, advertising, tenants
- **Services of key people**

Establish an Employee and Life Safety Committee and identify their responsibilities:

Committee members are: _____ .

Identification & Evaluation of Risk Exposure:

- Risk management consultant or insurance broker with “Risk Manager” using a detailed Risk survey or questionnaire should:
- Conduct detailed fact finding inquires and inspections
- Interview decision makers in all departments
- Determine exposures from all types of losses:
 - Property (use professional replacement cost estimates for buildings; up to date inventory of contents)
 - Boiler and machinery
 - Loss of income; extra expense
 - Crime (employee dishonesty & theft by outsiders), including computer related theft
 - General liability (bodily injury & property damage liability)
 - Pollution liability (carbon monoxide, asbestos, mold etc.)
 - Personal Injury liability (false arrest, libel & slander etc.)
 - Auto liability (owned, non-owned & hired)
 - Professional liability(including sexual abuse & molestation of clients)
 - Workers compensation & Employers’ liability
 - Employment practices liability (including sexual abuse & molestation of employees)
 - Directors & Officers liability
 - Fiduciary liability (from alleged mismanagement of benefit plans)
 - Epidemics or pandemics
 - Terrorism
 - Loss of key people

Other sources and tools to use:

- Financial Statements
- Brochures
- Contracts and leases; hold harmless agreements
- OSHA and ERISA records
- Insurance Claim Reports

Treatment of Risk Exposure – Once the exposures to loss have been identified and evaluated, you must then decide how to treat the loss by one or more of the following methods:

- **Elimination or avoidance** – eliminate or avoid the location or activity
- **Reduction or control** – mitigate the potential impact of the risk

Written, formal safety programs, automatic sprinklers etc.

- **Self-assumption**
Deductibles or other non-action measures
- **Self-insurance**
Not the same as self-assumption – a more formal approach
- **Non-insurance transfer**
Contracts, hold harmless agreements – many pitfalls
- **Insurance**
 - Only when other methods don't solve the problem
 - Don't risk a lot to save a little
 - Don't spend a lot to insure a little

Review and evaluate the plan periodically

Business Continuity Planning – Have a **Written Battle Plan** to continue operations after a severe loss.

Contracts, including leases: Use standard contracts when possible.
Have them reviewed by legal counsel:

1. **Waivers and Disclaimers** – Avoid them
2. **Hold Harmless Agreements** – Have them reviewed
3. **Additional Insured Endorsements** – Your organization should be an additional insured whenever possible
4. **Certificates of Insurance** – Get them from all sub contractors; set up diary file for renewal.

Life Safety and Property Conservation:

- Weekly inspections of premises for fire, water etc. hazards and protective devices such as extinguishers
- Semi annual testing of sprinkler systems, alarms and smoke detectors
- Annual walk through with fire department
- Safety committee
- Quarterly review of claims
- Weekly inspections of premises for tripping hazards etc
- Periodic meetings with employees to discuss safety topics
- Many types of controls also apply to general liability risks
- Life Safety committee
- Weekly inspections of premises for exit obstructions, exit signs, emergency lighting etc.
- Periodic fire drills

Controlling employment related risks – work closely with Human Resources:

- Develop concise, written policies on employment matters
- Conduct training on sexual harassment
- Follow a carefully documented procedure and exercise special care when handling terminations
- Carefully document all employment-related actions
- Conduct thorough, candid annual performance reviews
- Promptly investigate all allegations of harassment or discrimination
- Seek the advice of counsel before taking action

Screen Paid and Volunteer Staff with:

- *Position descriptions*
- *Written applications*
- *Interviews*
- *Reference checks.*
- *Record checks.*

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