Risk Management Template

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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