

Risk/Safety Management

ND DOT DBE Safety Workshop

February 9, 2012

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Objectives

- Describe risk/safety management
- Identify risk/safety management categories
- Provide risk management tools



What is Risk Management?

- A way of looking at your business from a new perspective

You need to get a big picture of how your business operates today in order to reduce the risk of things going wrong tomorrow.



Risk Management

- Method of protecting your business's assets and income by looking for all the possible causes of losses



Risk Management

- Taking deliberate steps to either prevent loss or bear the loss if it occurs (choosing the best strategies for coping with the risk)



Risk Management

- Implementing specific risk management policies, procedures and practices



Risk Management

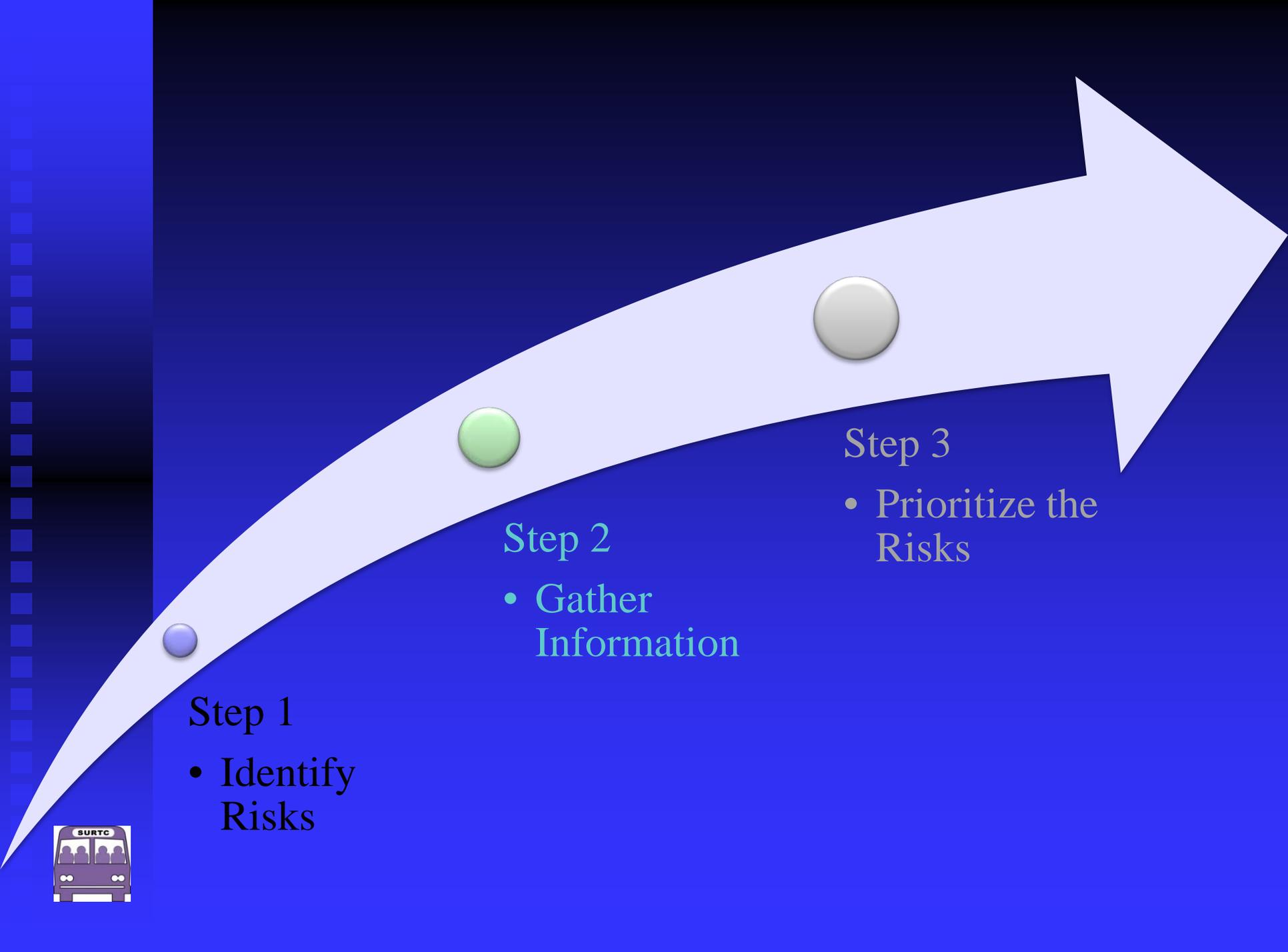
- Monitoring the results of your risk management program and modifying it as needed



Risk Management

- Goal – To exercise more control over the likelihood of losses to reduce the impact on your company





Step 1

- Identify Risks

Step 2

- Gather Information

Step 3

- Prioritize the Risks



Step 1: Identifying the Risks

A well prepared business needs to ask the questions:

- ✓ What risks do we face (what could happen?)
- ✓ How might the risk materialize?



Risks

Your business faces risk (opportunities for loss) every day:

- Vehicle Liability
- Employee Liability
- General Liability
- Contractual Liability
- Directors' & Officers' Liability



Risks

- Property Loss
- Business Interruption
- Environmental Damage
- Natural Disaster
- Other



Vehicle Liability

- Accidents, objects or persons with the potential for damage to people and/or property and the possibility of lawsuits and/or criminal charges
- Employee/bystander Incidents – falls, injuries relating to lift and securement operation, injuries, etc.



Employee Liability

- Employee Accidents & Incidents – include injuries within the office, on official travel, while maintaining the equipment, etc.

Workers' compensation and occupational safety and health liabilities are the major exposures in this category.



Employee Liability

- Claims by employees for wrongful dismissal, discrimination, sexual harassment, or conduct that violates privacy, civil rights, ADA, whistleblower, or other protections under the law

Exposure to potential lawsuits



General Liability

Your system's liability to others:

- Personal injury
- Bodily injury
- Property loss or damage to a third party as a result of negligence of the company or any of its employees



Contractual Liability

Losses that result from:

- Leases
- Rental Agreements
- Construction Contracts
- Consulting Contracts
- Special Service Agreements
- Labor Contracts



Directors' & Officers' Liability

- Negligence in financial management is the most common target of D/O Liability

(failure to maintain financial controls and/or mismanagement of an organization's assets)



Property Loss

- Vehicle loss due to accidents, fire, improper maintenance, sabotage, vandalism, or theft
- Property damage due to fire, flood, tornado, hurricane or other disaster
- Loss of financial assets due to theft, embezzlement, fraud or mismanagement



Business Interruption

Loss of organizational infrastructure due to:

- Extended power outages
- Computer crashes
- Communication system failure
- Staff shortages (due to labor disputes, regional employee shortages, or poor human resource management)
- Loss of vehicles



Business Interruption, continued

- Loss of administrative, maintenance or operations facilities caused by:
 - structural collapse
 - presence of toxic materials
 - violation of federal, state or municipal regulations
 - significant events on neighboring properties
 - natural disasters



Environmental Damage

- Fuel-related events (accidental release of natural gas or petroleum from above ground or below ground storage tanks)
- Fire/explosion involving alternative fuels
- Improper disposal of motor fluids, solvents and chemicals



Natural Disasters

Large-scale events such as:

- Flood
- Tornado
- Hurricane
- Wildfire
- Earthquake



Step 2: Gather the Information

Evaluate your business's claim history

- Review insurance claims to determine frequency and severity of past losses

NOTE – If your system doesn't keep a record of losses, you can obtain one from your insurer.



Gathering Information

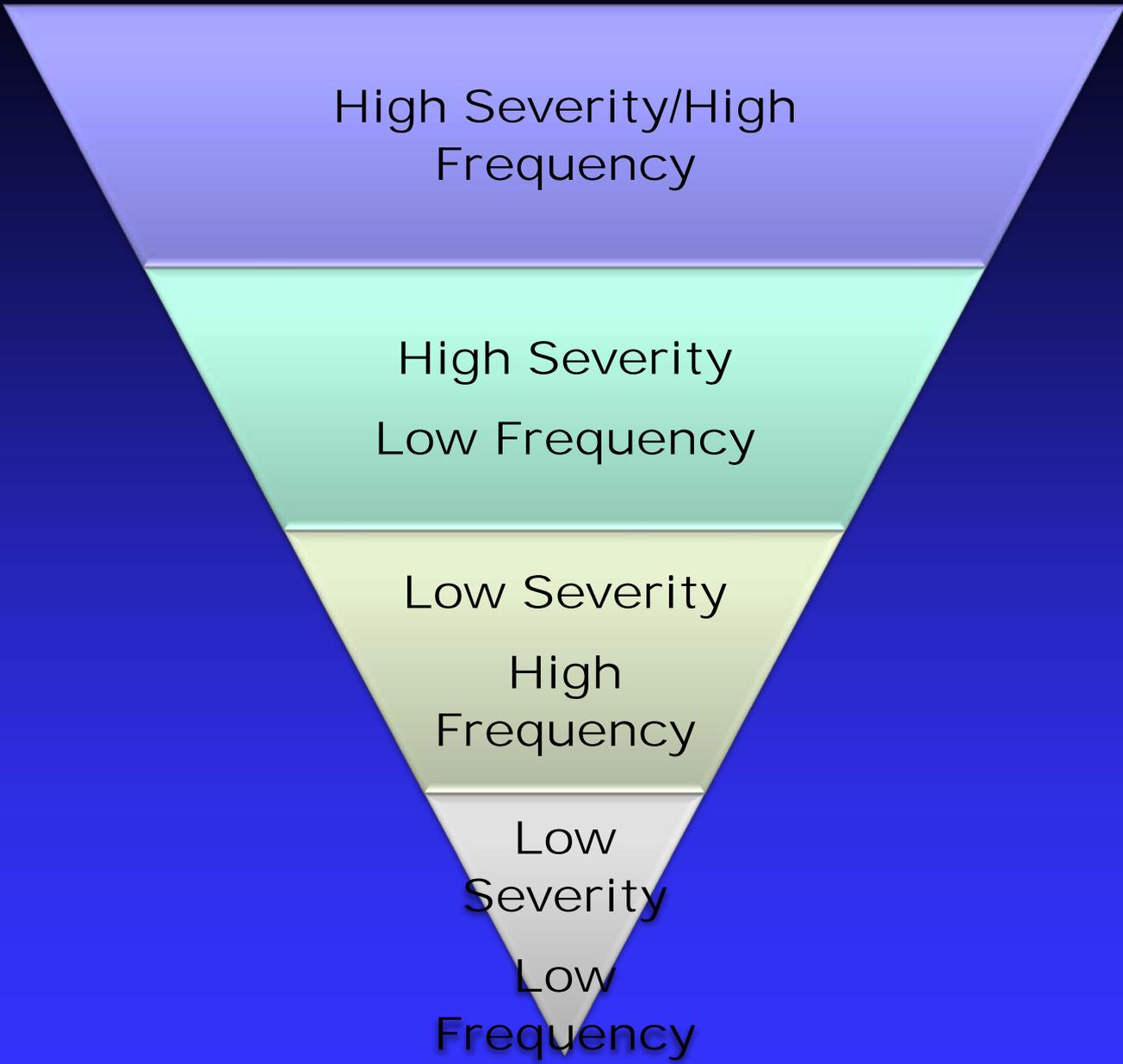
- Review all complaints and sort into categories of similar concerns
- Review all accident and incident reports and sort into categories of similar events
- Review contracts, service agreements, and leases for information that will help identify potential exposure



Step 3: Prioritize Your Risks

- What is the probability the event will happen?
- What could be the frequency of this event?
- What is the possible magnitude of the event?





Safety meetings

- Monthly Safety talks/meetings
- Supervisor document meeting topic and attendance
- Topics relevant to current work



Resources

- Small Business Handbook
- WWW.OSHA.gov
- Train, Train, Train.....
- Document, Document, Document.....

