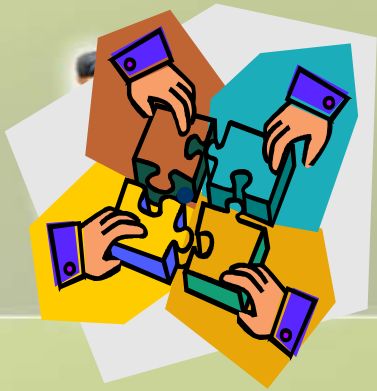


**Mina Hanssen, MBA, ARM**  
**Marion County Risk Manager**



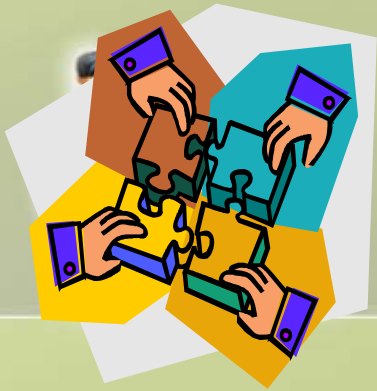
**Risk Management & Safety**  
*Partners in Prevention*



# Agenda

- Risk Management Overview
- Exposure Identification
- Risk Management Process
- Risk Assessment
- Risk Financing Strategy – Retention, Transfer, Hybrid
- Loss Control Strategy
- Communication Strategy
- Claims and Litigation Strategy
- Monitor/Measure Strategy

TEAMWORK



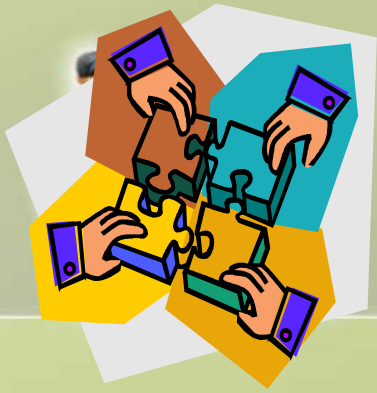
# What is Risk?

Risk Management Overview

Any event, process or practice that creates an uncertain outcome

## **Risk Management**

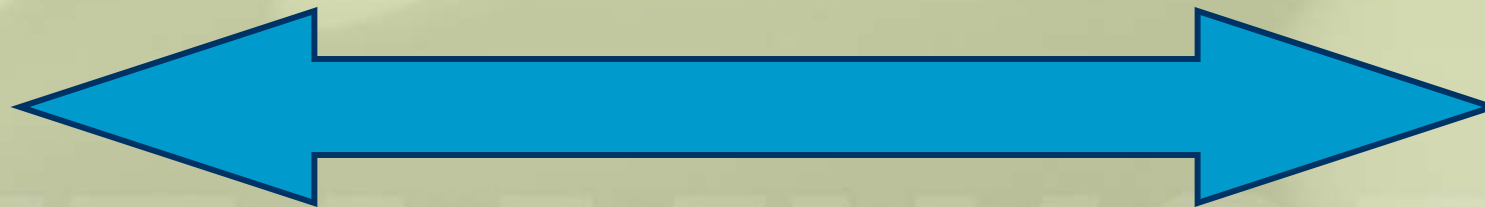
The process of protecting an organization resources from any threat that that would interfere with the ability to achieving the mission and goals of the organization.



# What is Risk Appetite?

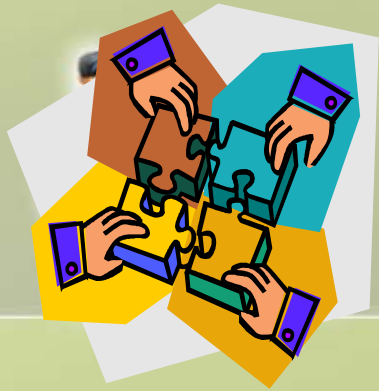
Risk Management Overview

- Organization culture
- What is the official message
- What is the unofficial message
- Is the message ingrained in the culture



**Conservative  
Risk Adverse**

**Entrepreneurial  
Risk Taking**



# Organizational Culture

Risk Management Overview

**Traditional**

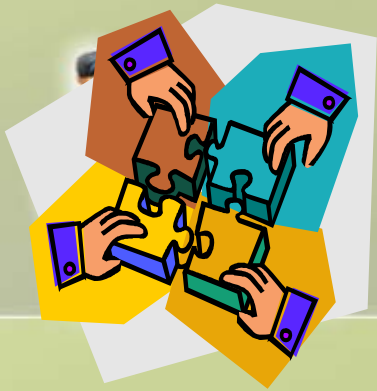
**Progressive**

**Enterprise**

**Silos:**  
**Insurance**  
**Claims**  
**OSHA**  
**Compliance**

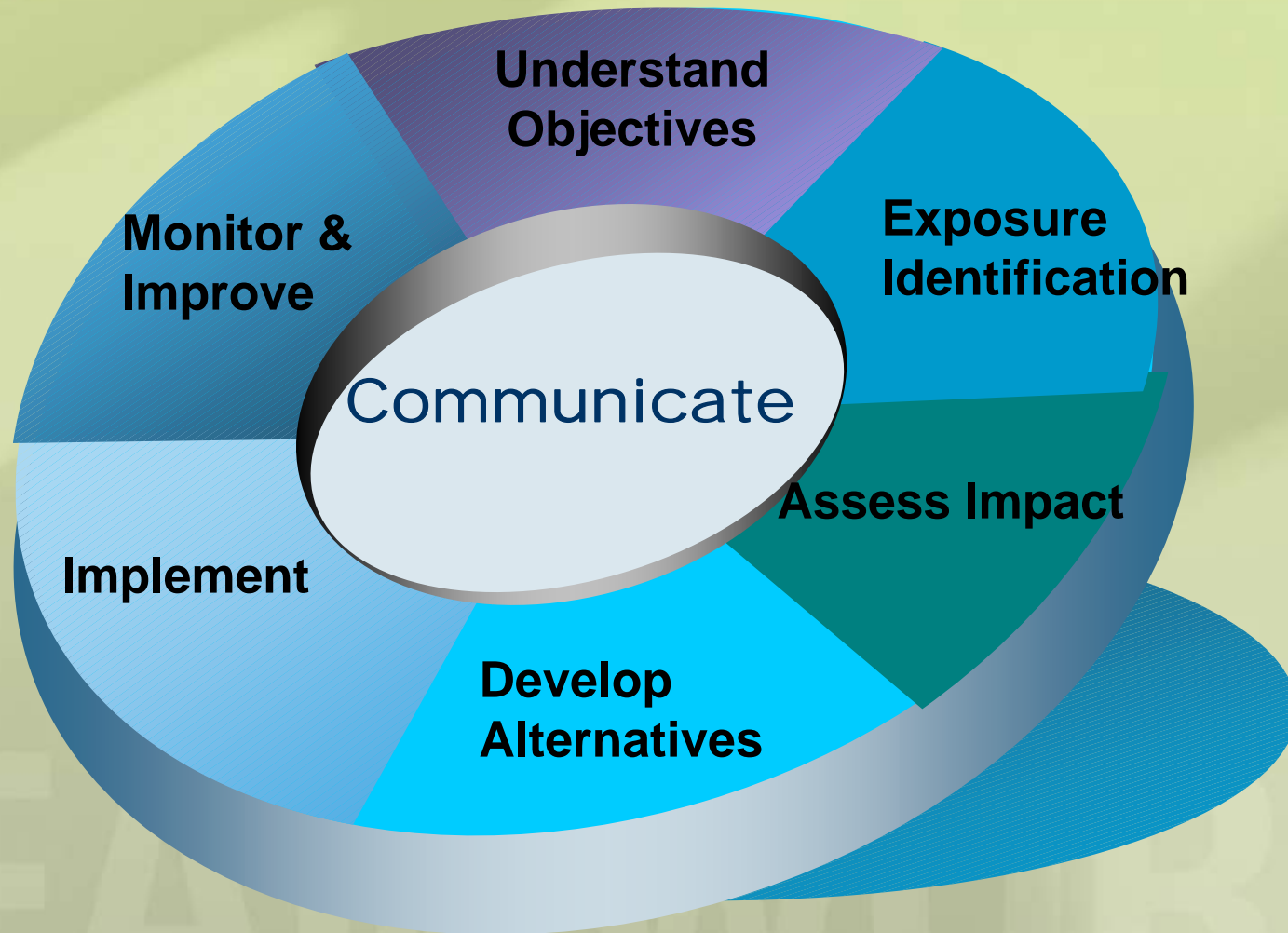
**Management**  
**support**  
**Reducing**  
**losses**  
**Lowering**  
**costs**

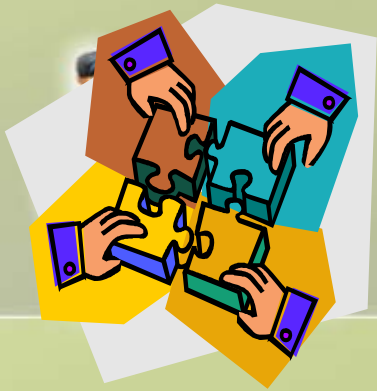
**Strategic**  
**partner**  
**Impact**  
**bottom line &**  
**culture**



# Risk Management Process

Risk Management Process

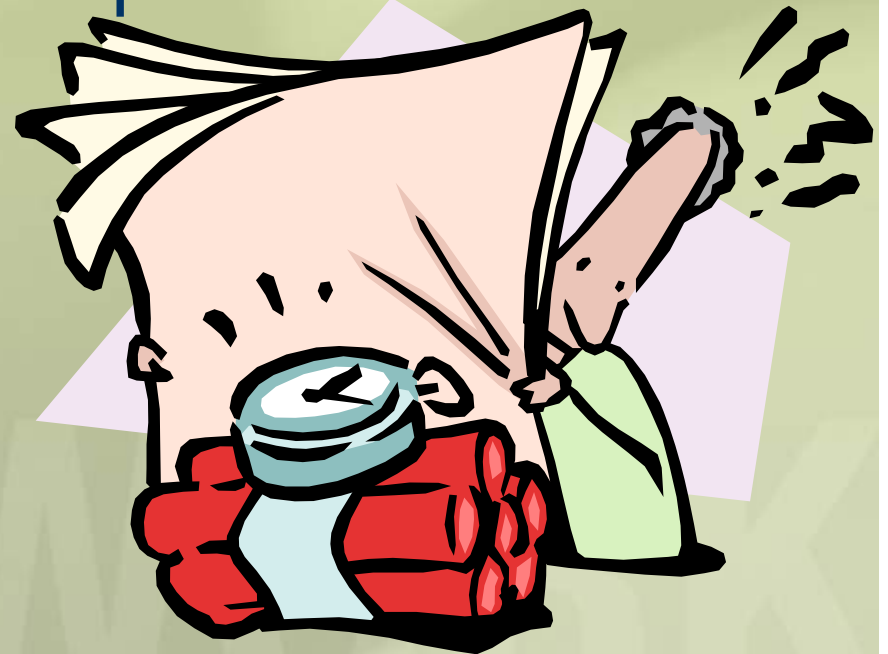


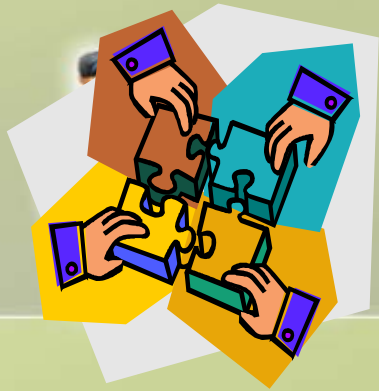


# Understand the Objectives

Risk Management Process

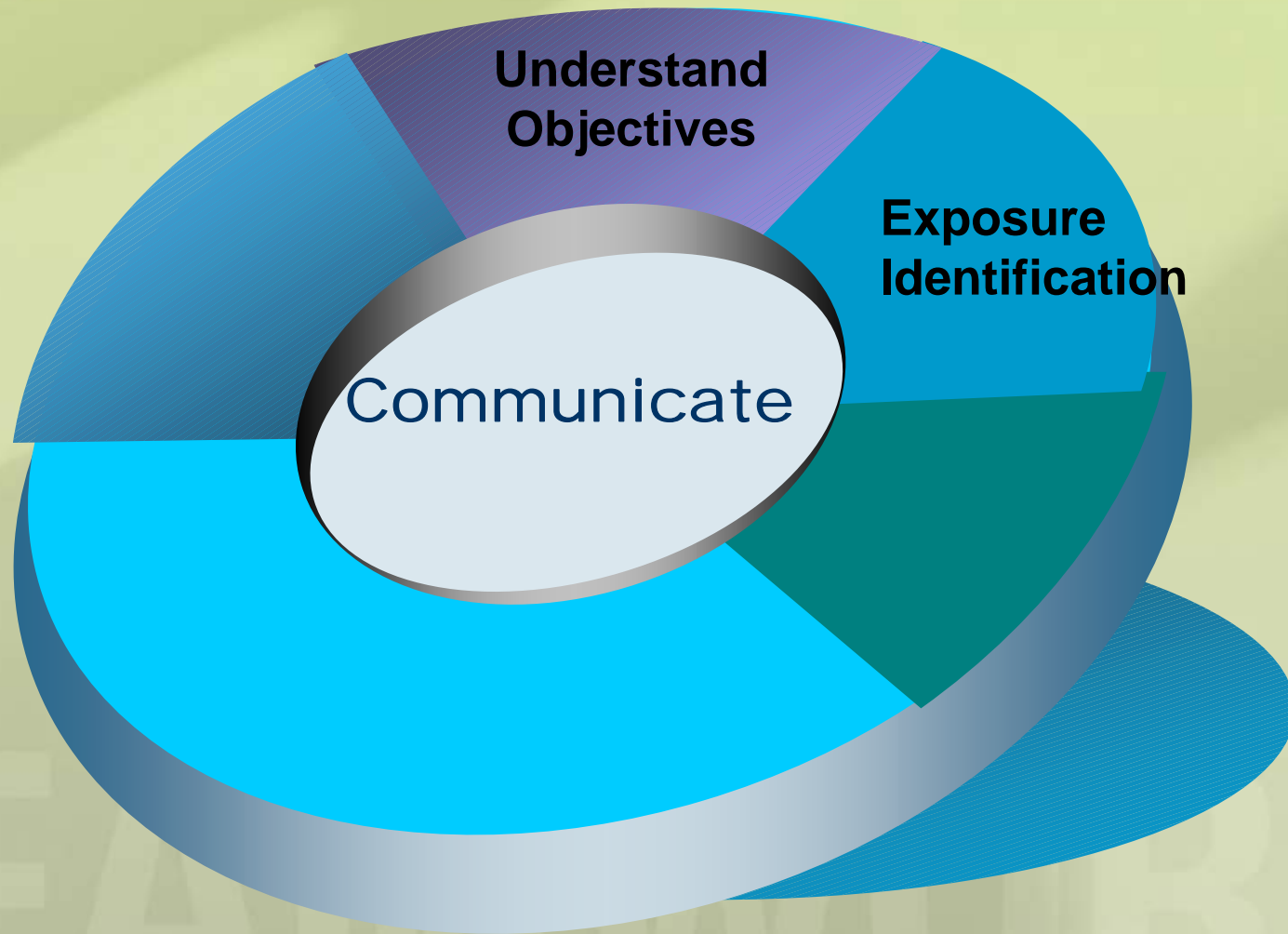
- Know the mission, vision & goals
- Know the drivers in the industry
- What are the financial imperatives
- Meet with key players
- Communicate clearly



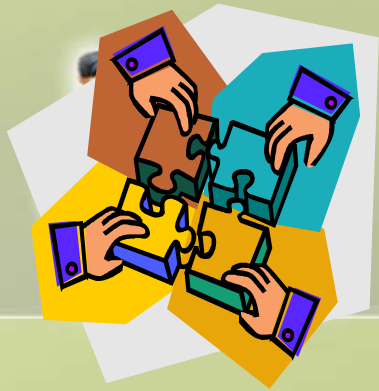


# Risk Management Process

Risk Management Process







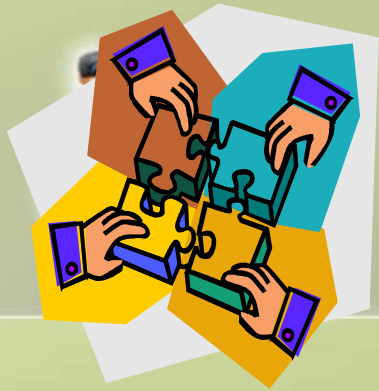
# Financial Risks

## Exposure Identification

- Investments profit/losses
- Diversification
- Hedging, exchange rates, inflation
- Theft, fraud, embezzlement
- Market share
- Asset management
- Credit risk



PHOTO: KEN CEDENO/BLOOMBERG/LANDOV

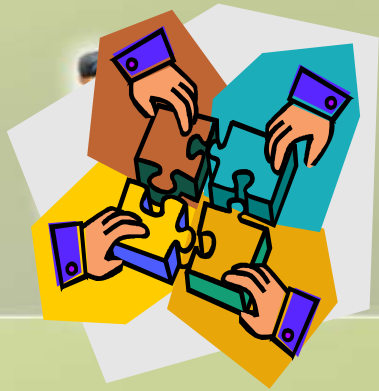


# Strategic Risk

Exposure Identification

- Leadership change
- Regulatory & political trends
- Corporate Governance
- Integrity/Accountability
- Increased competition
- Social/cultural trends
- Trademark/brand erosion



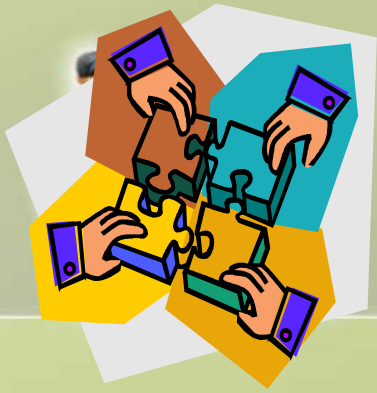


# Operational Risk

Exposure Identification

- System breakdown/failure
- Communications infrastructure
- Information security
- Business personal property
- Product development
- Loss of access
- Public Image



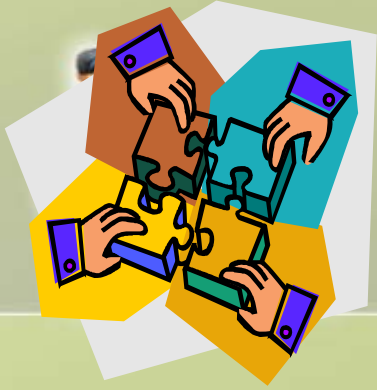


# Human Capital Risk

Exposure Identification

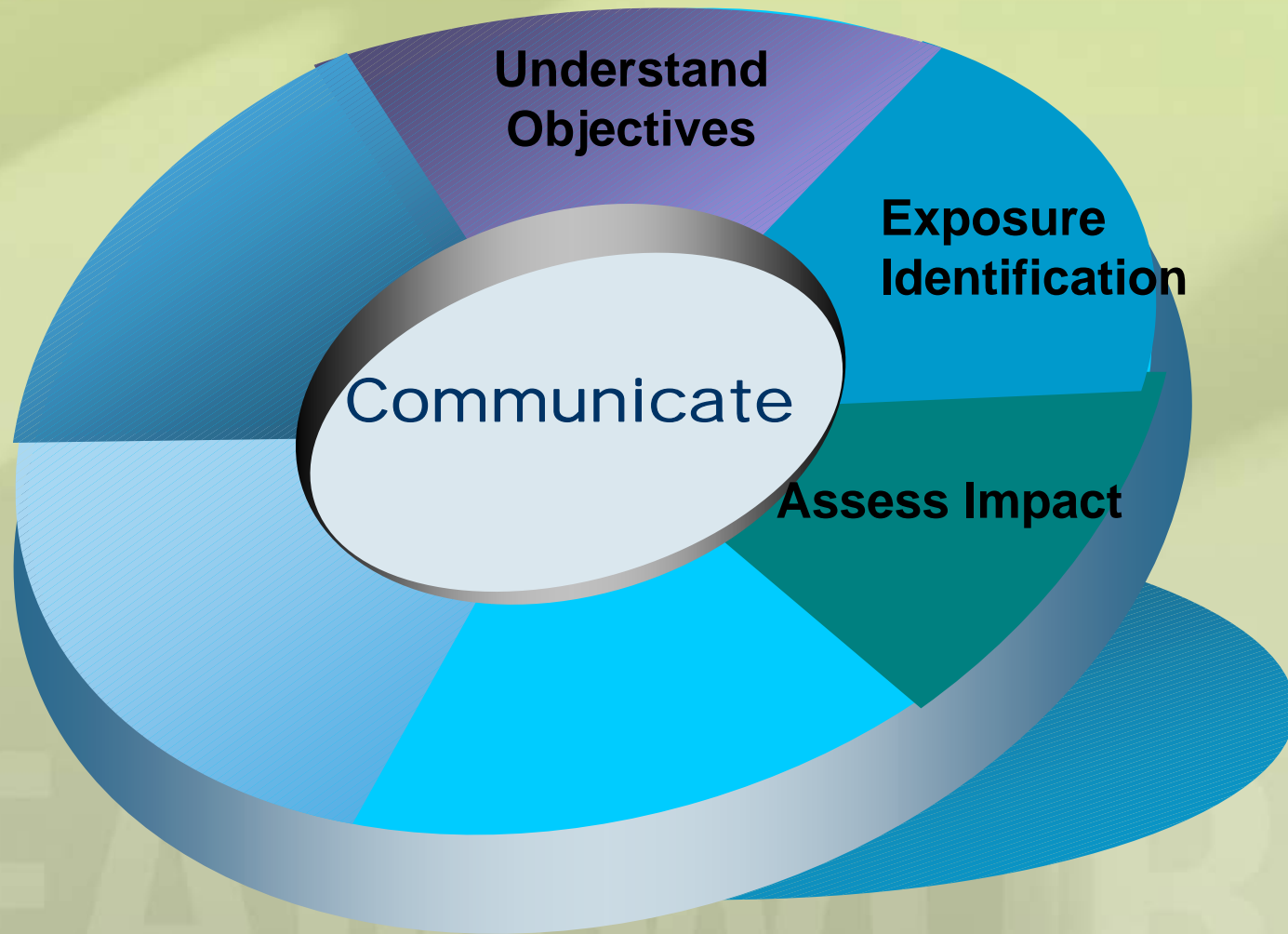
- Death, disability or resignation
- Employee commitment & morale
- Employment Practices
- Unions
- Workplace Violence

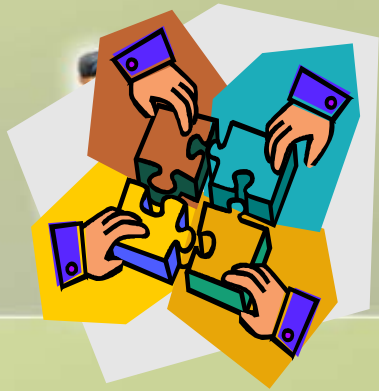




# Risk Management Process

Risk Management Process

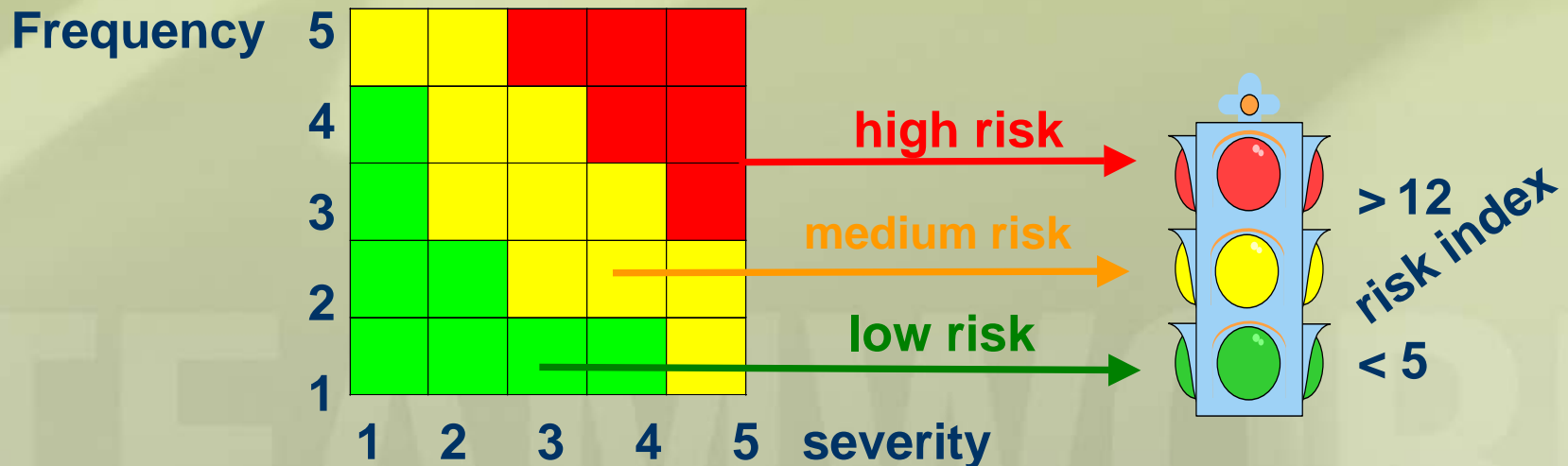




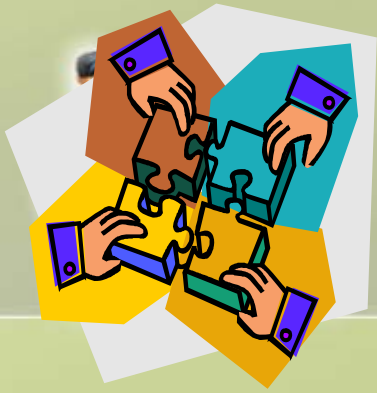
# Ranking Risk

Assessing Impact

1. Frequency (Probability)
2. Severity (impact)
3. Timing
4. Creditability

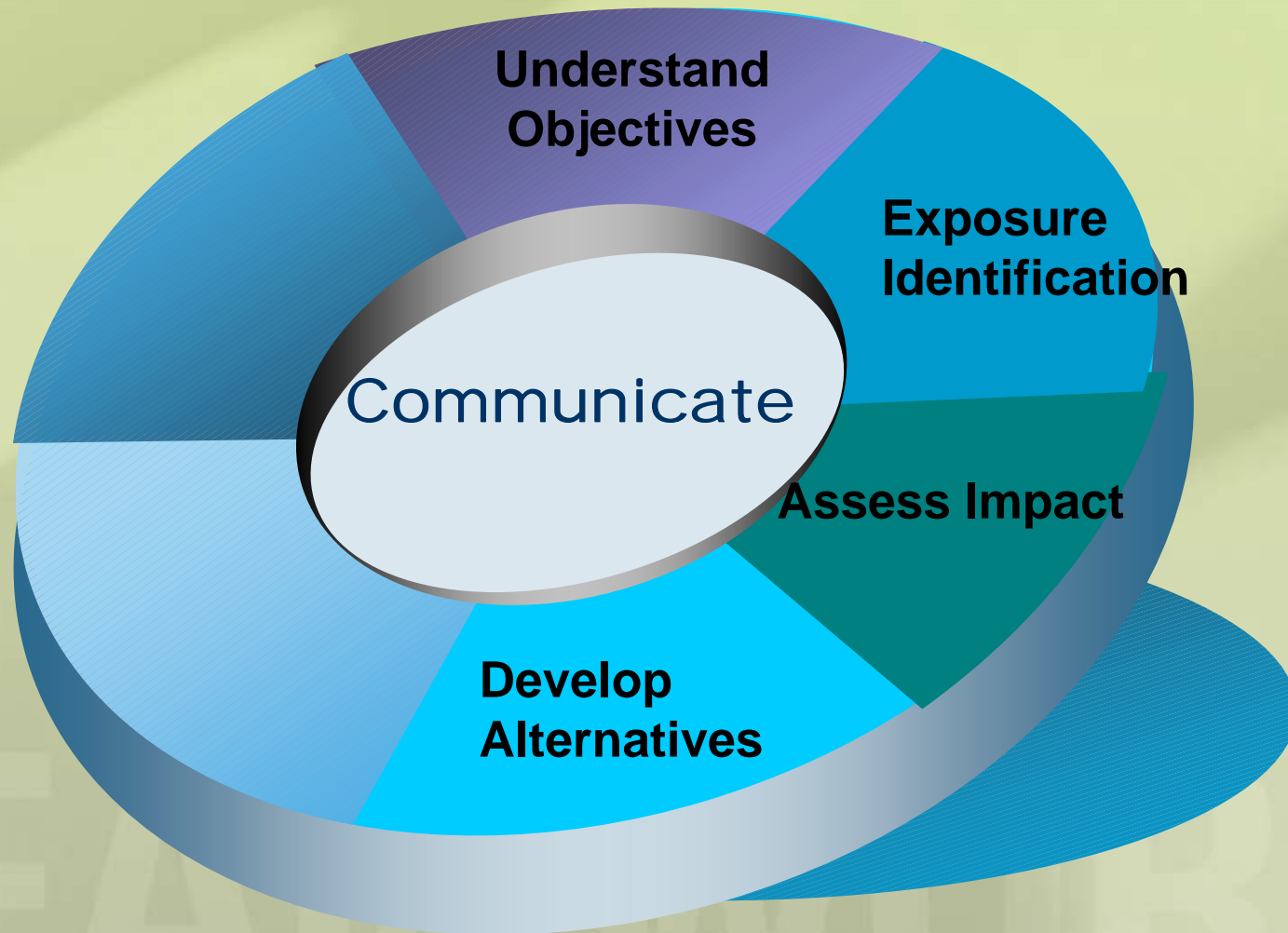


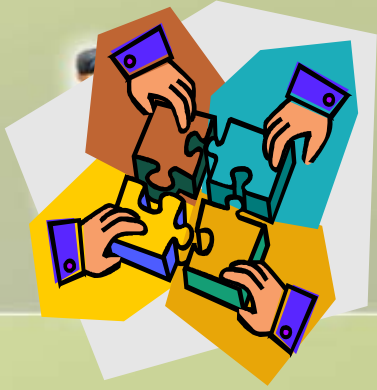




# Risk Management Process

Risk Management Process





# Risk Management Approach

Develop Alternatives

## Risk Management Alternatives



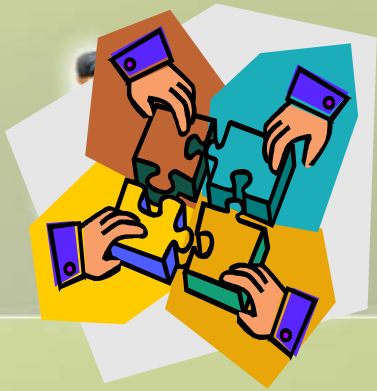
**Avoidance**

**Finance**

**Retention**

**Control**



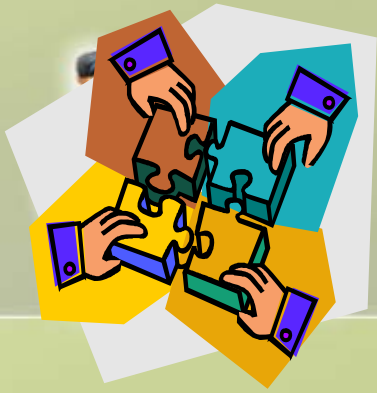


# Risk Avoidance

Develop Alternatives

- Terminate the activity
- Contractual transfer
- Best for low impact situation or
- High frequency – High severity
- Examples

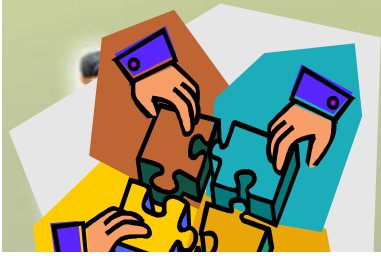
**May lead to lost opportunities**



# Risk Retention

Develop Alternatives

- Potential to save money
- Insurance may not be available
- Organization culture
- Ability to cost control
- Can enhance loss prevention
- Low frequency - Low impact



# Wind Zone Map

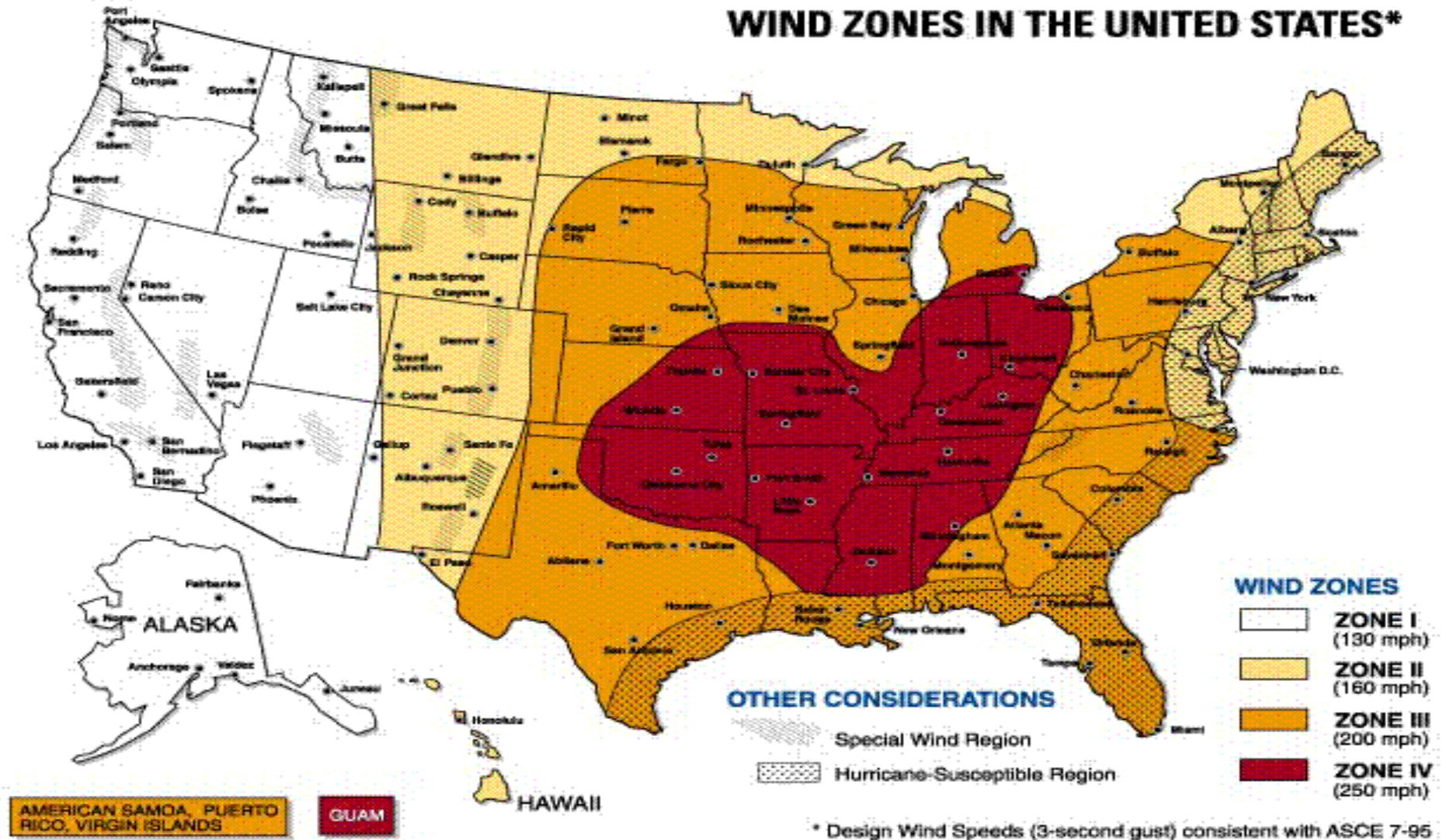
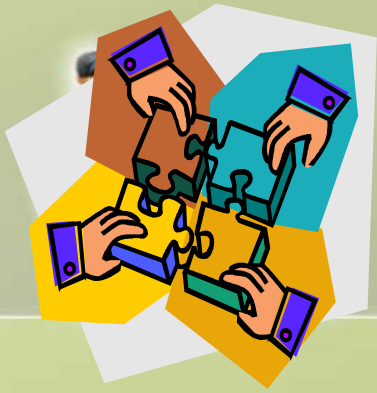


Figure I.2 Wind zones in the United States



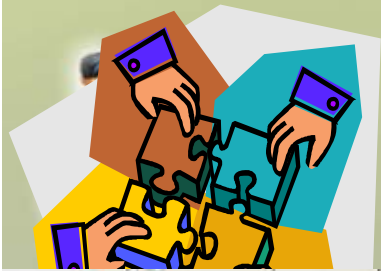
# Risk Financing

Develop Alternatives

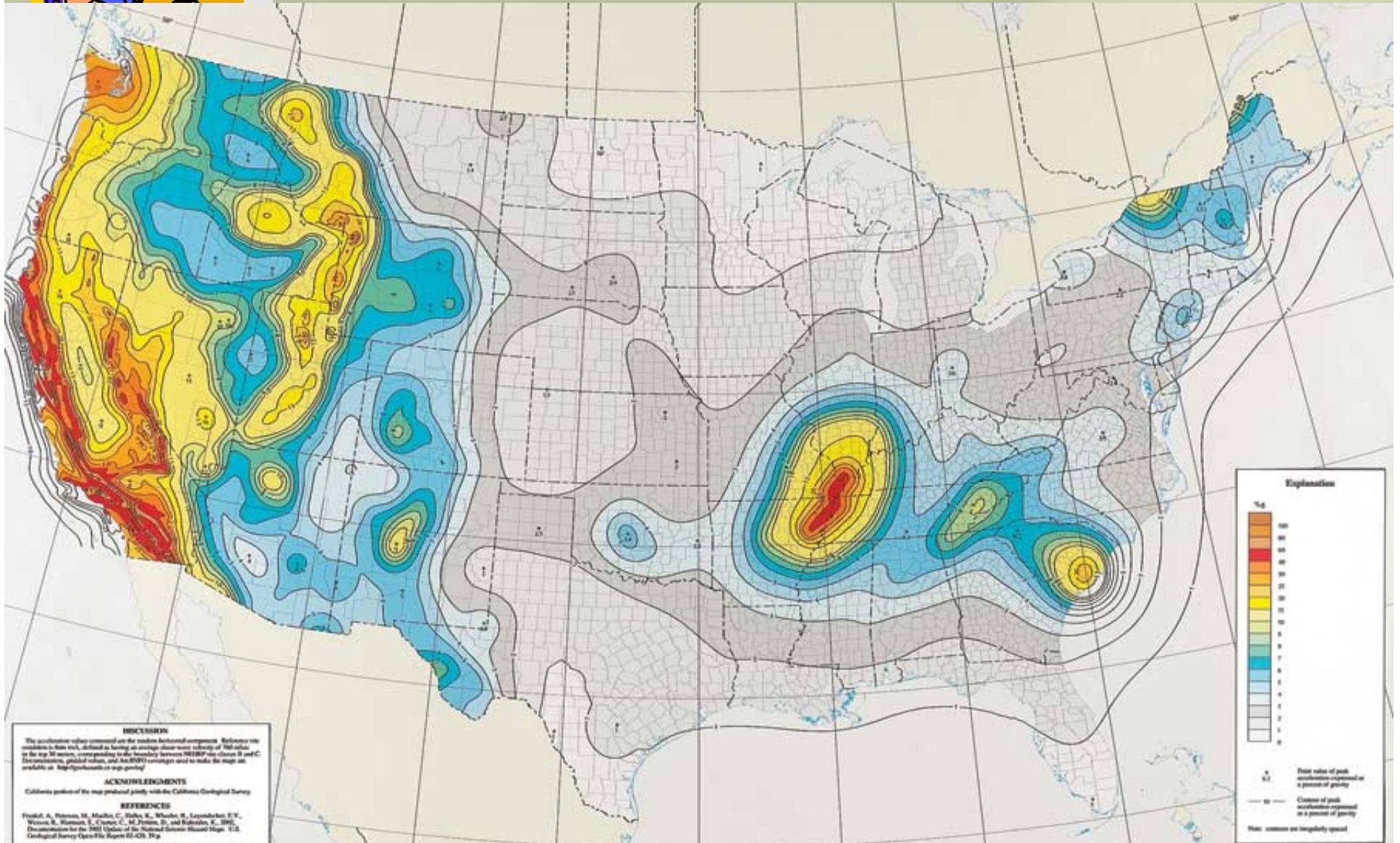
- Can be expensive
- Cost is fixed
- Best for high impact low probability
- Protects against catastrophic loss
- Examples

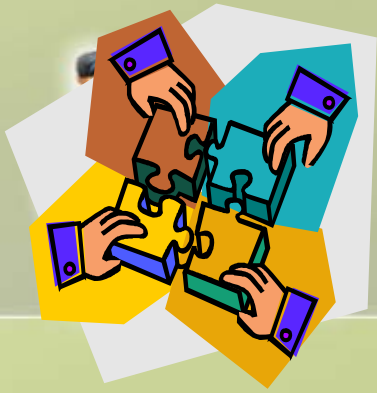






# Earthquake Map



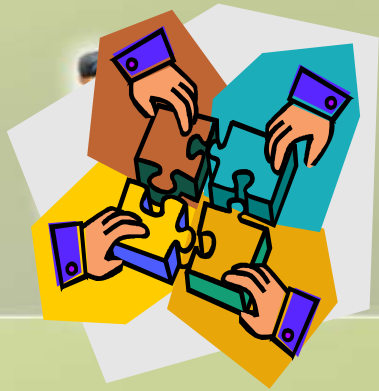


# Risk Control

Develop Alternatives

- Attitude toward risk taking
- The value of early warning
- The role of staff & management
- A “no-blame” culture
- Communication
- High frequency -low to moderate impact

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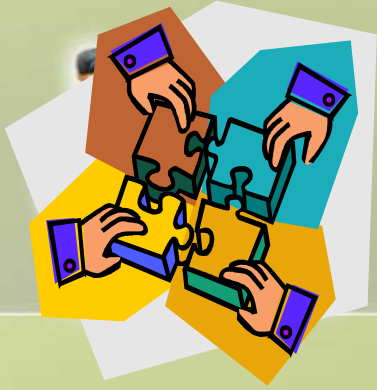


# Risk Control

Safety Professionals Role

- Safety program
- Behavioral observations
- Job safety analysis
- Accountability
- Management training
- Cross training
- Emergency planning





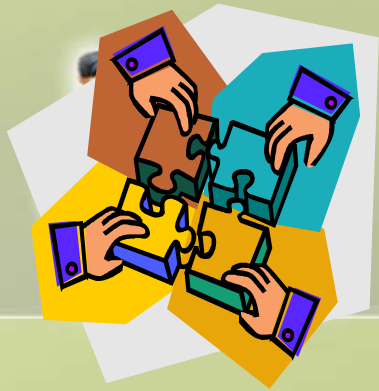
# Property Risk Control

Safety Professionals Role

- Defensive driving classes
- Cash handling training
- Behavioral observations
- Facilities inspections
- Fire suppression
- Process evaluations

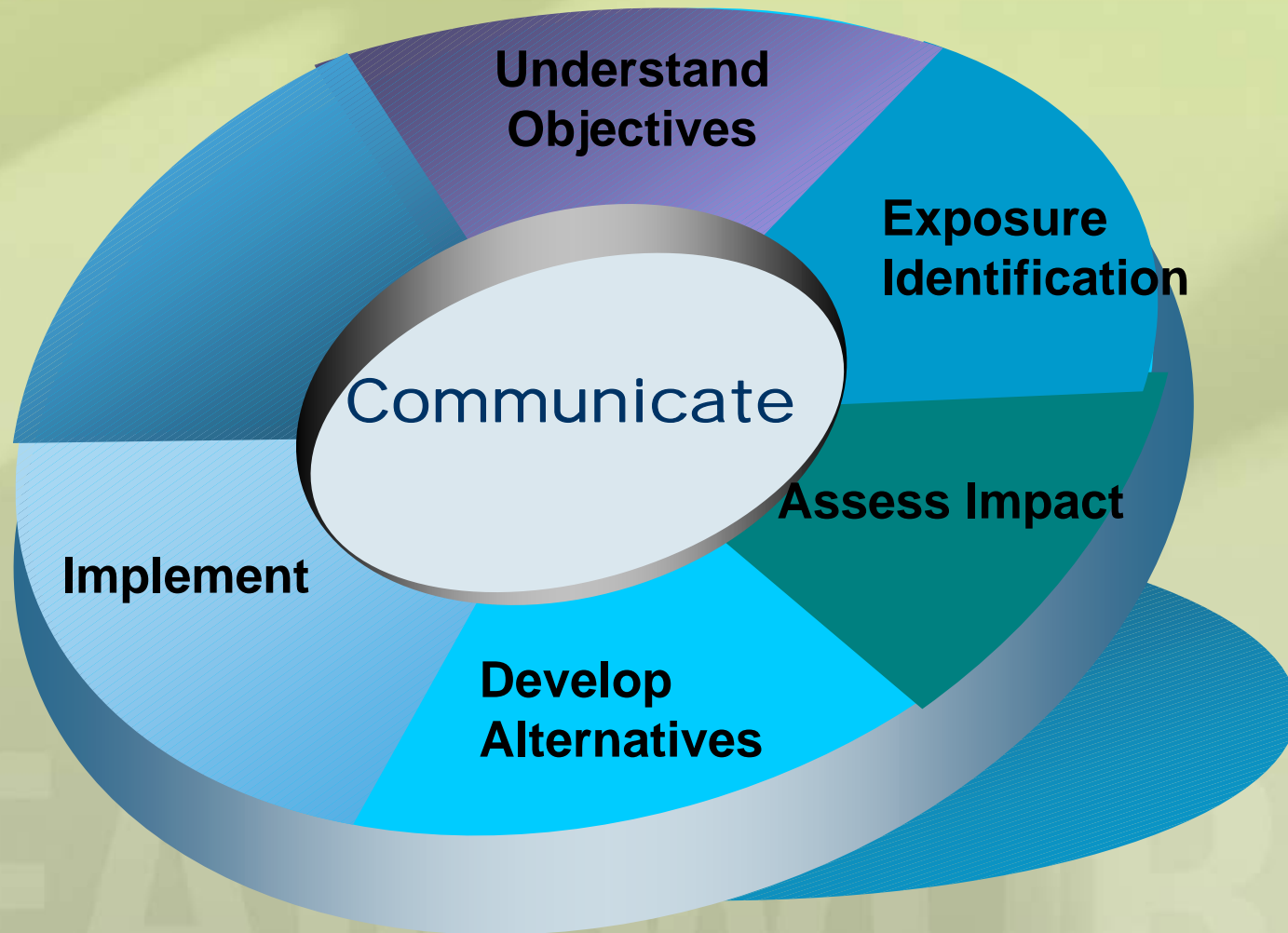


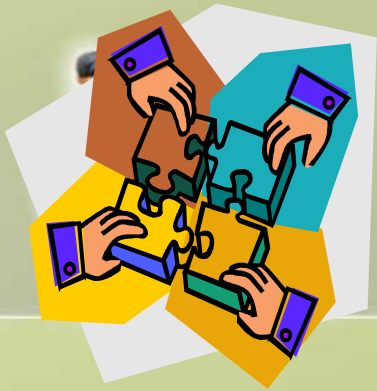




# Risk Management Process

Risk Management Process



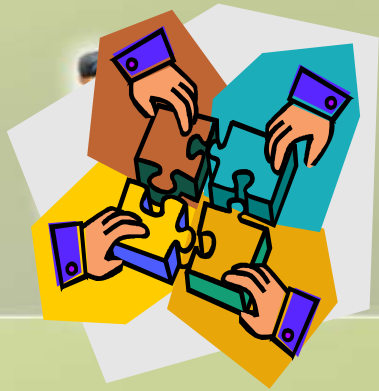


# Implementation

## Risk Management Process

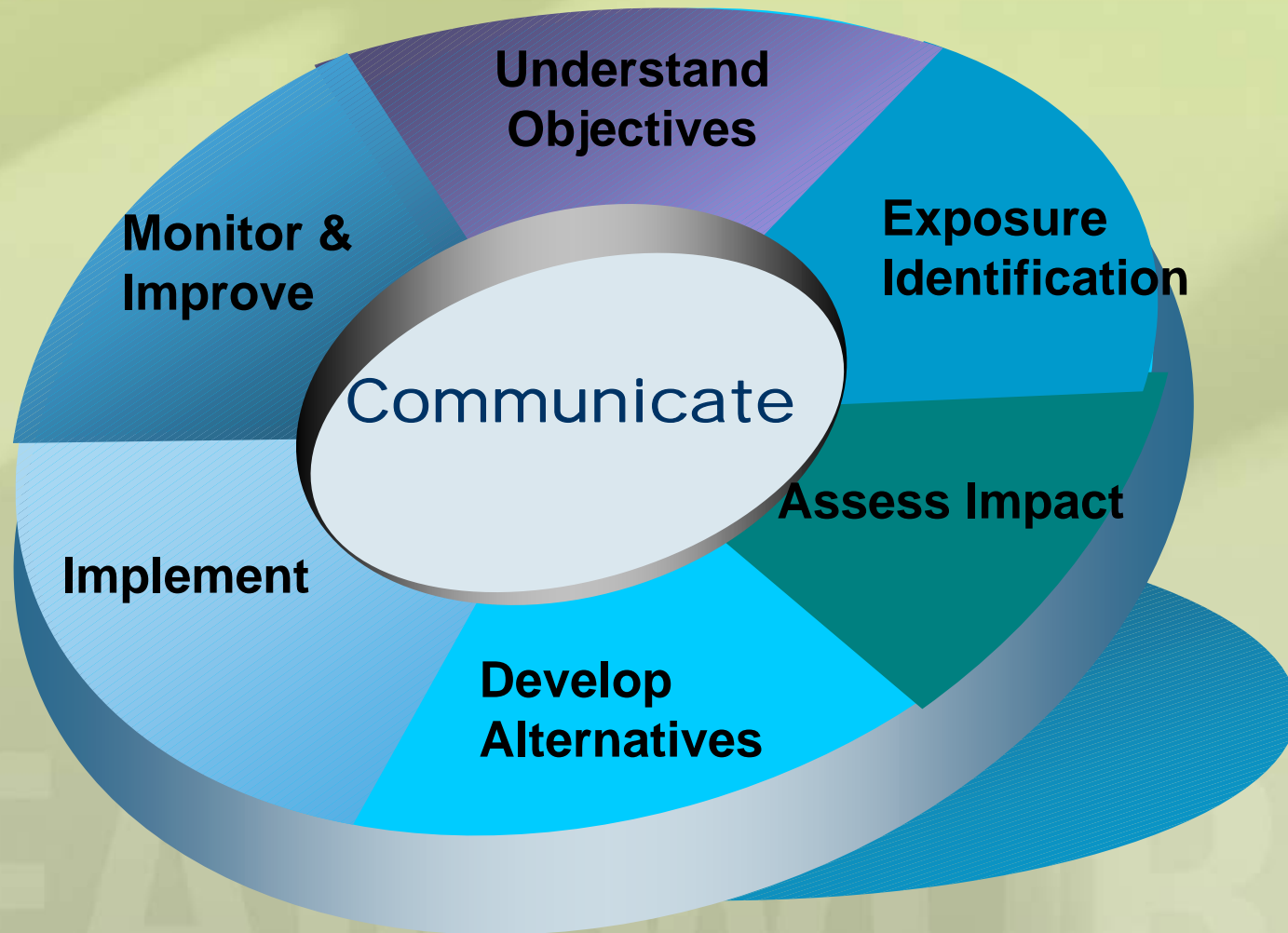
- Regular follow up
- Build support across organization
- Keep bottom line in mind
- What is the present net value or return on the investment

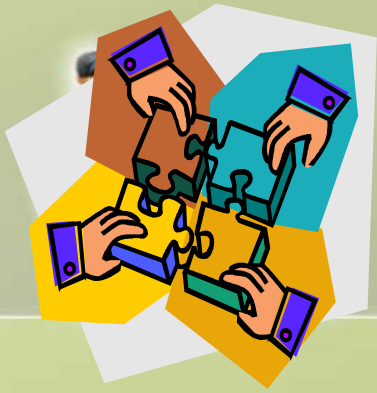




# Risk Management Process

Risk Management Process



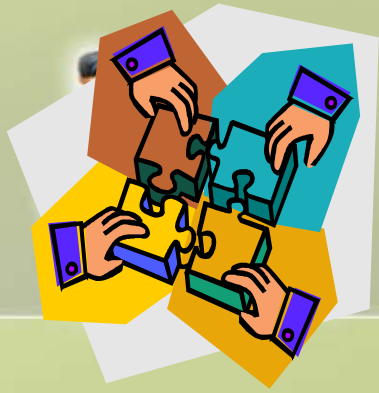


# Communication Strategy

Improving the Results

- Meet with key stakeholders
- Create opportunities
- Consider best practices
- Be accessible
- Develop communication plan

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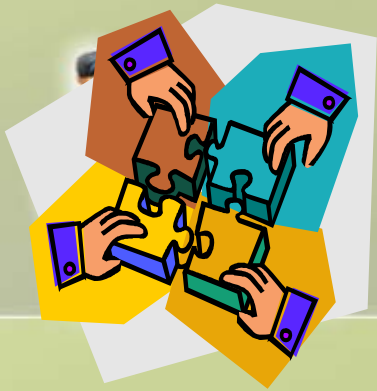


# Monitoring Strategy

Risk Management Process

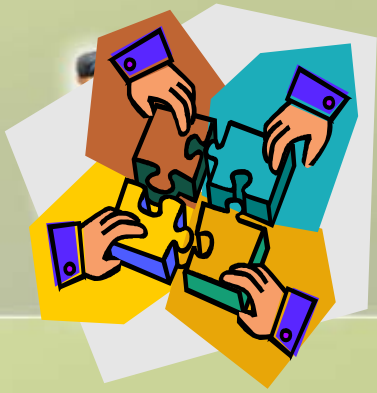
- Link program goals organizational goals
- Measure progress
- Justify need for and allocate resources
- Guide organizing and planning
- Establish credibility and gain support
- Detect and adapt to change

TEAMWORK



# Resources

- PRIMA <http://www.primacentral.org/>
- IRMI (International Risk Management Institute)  
<http://www.irmi.com/>
- RIMS <http://www.rims.org>
- Risk and Insurance online -  
<http://www.riskandinsurance.com>
- Business Insurance online -  
<http://www.businessinsurance.com/>
- Non Profit Risk Management -  
<http://www.nonprofitrisk.org/>
- Oregon OSHA -  
<http://www.cbs.state.or.us/external/osha/>



# Questions

TEAMWORK