

## Risk Management Strategies – A Brief Summary

⇒ Are you sure these areas of your business are up-to-date and under control?

	Operations / Site	Products/ Services	HR	IT	Contracts	Insurance
<b>Key Issues</b>	Safety, training & tailgates, IIPP, OSHA regulations	Quality & reputation: What do your customers expect?	Forms and files – what’s kept and what’s not	Hardware, software, inventories & security	Leases; sales, service & vendor agreements	Misunderstandings/ errors in deductibles, limits, insureds
<b>Examples of What Can Go Wrong</b>	Supply sources; vendor liability; lease/ zoning responsibilities; embezzlement	Delivery channels; sales & vendor agreements; goods in transit	Workers’ Comp; job descriptions; benefits management	Backups & off-site location; testing; readable copies of critical data/ contacts	Insurance-related responsibilities: are you in breach?	Misunderstandings of coverages vs. exclusions; Overlooked key exposures
<b>Pay Attention to these Specifics and Tools</b>	Site hazards: <ul style="list-style-type: none"> <li>• Flammables</li> <li>• Extinguishers &amp; sprinkler tests</li> <li>• First Aid, clinics</li> <li>• Equipment guarding, limits &amp; values, replacement times</li> <li>• Dangers to third parties</li> </ul>	Consider: <ul style="list-style-type: none"> <li>• Intellectual property &amp; trade secrets</li> <li>• Work by independent contractors</li> <li>• Promises by marketing/ website</li> <li>• Cross-training &amp; process documentation</li> </ul>	Awareness of key liabilities: <ul style="list-style-type: none"> <li>• Employment Practices: harassment &amp; discrimination</li> <li>• Performance management</li> <li>• Leaves, notices</li> <li>• Injuries</li> </ul>	Problem areas: <ul style="list-style-type: none"> <li>• Private data – employees/ customers</li> <li>• Liability for viruses, data loss, identity theft</li> <li>• Testing contingency plans</li> </ul>	Problem clauses include: <ul style="list-style-type: none"> <li>• Indemnification</li> <li>• “Best efforts”</li> <li>• Legal venue</li> <li>• ADR</li> <li>• Time is of the Essence</li> <li>• Copyright, Non-Disclosure</li> </ul>	Exposures that can be completely missed: <ul style="list-style-type: none"> <li>• Foreign product liability or travel</li> <li>• Cyber liability</li> <li>• Full replacement cost</li> <li>• Contractual liability</li> <li>• Non-owned auto</li> </ul>
<b>To Do ~</b>	Hazard & loss-control assessments/ inspections	Annual review & updates – expertise & objectivity	Annual review of all areas including insurance	Annual updates, testing, security audits	Legal & insurance review every time	Timely, planned renewal meetings and full coverage reviews

- Notes:**
- Prevention, Contingency Plans and Crisis Management can be crucial to survival because insurance won’t pay for everything.
  - Businesses are particularly vulnerable in times of change: merger or acquisition; new product, new service or territory; influx of new staff; turnover, death or disability of key people; lawsuit or other “distraction.”
  - Conducting a periodic Risk Assessment can uncover what you don’t know, and might also change your thinking about what you thought was true and no longer is.