

RISK MANAGEMENT FOR NARHA CENTERS

1. Why Manage Risk - the many costs of loss
 - a. Risk Management means developing a plan to manage exposure to loss
 - b. Exposure to costs that arise out of losses that actually happen (lawyer's fees, doctor's bills)
 - c. Exposure to costs that arise out of losses that might happen (anxiety)
 - d. Managing loss helps centers avoid costly accidents, allowing funds to be used for programming, as intended

2. Benefits of a good Risk Management Plan
 - a. Survival of center – financial impact of uninsured injury can range from minor inconvenience to major setback
 - b. Non-financial losses – time spent on defense, mental strain, disruption of professional and personal life, inefficient use of resources during crisis, shortened planning horizons
 - c. Ability to recover quickly and completely if loss does occur
 - d. Good Risk Management plan results in minimum affect on others when experiencing loss – reflects a social responsibility that benefits the entire center family
 - e. Reduction in anxiety – Why worry about Risk Management? Object is to get a good night's sleep – peace of mind when loss exposures are identified and methods are in place to cope – permits focus on other aspects of center development

3. Risk Management Techniques
 - a. Select a technique or combination of techniques for each loss exposure
 1. Transfer the risk (through purchase of insurance)
 2. Control the risk (through careful management and training)
 3. Avoid the risk (not always possible)
 4. Retain the risk (some losses, such as tack theft might be planned for and absorbed)

4. NARHA Standards A-5 and A-6 – Identifying Possible Loss Exposures
 - a. Standard A-5 – Written Inventory of possible loss exposures
 - 1) Natural hazards specific to site
 - 2) Man-made hazards
 - 3) Operation of facilities/equipment
 - 4) Equines
 - 5) Disasters (fire, flood, etc)
 - 6) Conduct of personnel, participants, guests

- b. Standard A-6 – Written procedures that respond to areas identified in A-5

5. The Risk Management Process

- a. Identify and analyze loss exposures
 1. Important and difficult task – easy to overlook exposures
 2. Exposures are constantly changing
 3. Brainstorming sessions with staff members and volunteers often brings different concerns to light
 4. Divide the list into categories such as: activities that may cause injury; items of value exposed to loss; on-site natural hazards (see NARHA Standard A-5)
- b. Select a technique or combination of techniques to suit each identified exposure (see NARHA Standard A-6)
- c. Implement chosen technique immediately
- d. Monitor the decisions made and implement changes when necessary – must be continuously monitored to insure that best possible solution has been utilized
- e. New analysis is required whenever an incident occurs, and at pre-determined intervals – perhaps every spring and fall or at the beginning and end of the operating season
- f. Designing a Risk Management Plan for your Center is a constantly evolving process
- g. Focus on maximizing use of center resources

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