

Risk Management on a Shoestring

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Risk Management Definitions

General Definition (ARM text):

“The process of planning, organizing, leading and controlling the activities of an organization in order to minimize the adverse effects of accidental losses on that organization at a reasonable cost.”

(Essentials of the Risk Management Process ARM 54 Text, Insurance Institute of America)

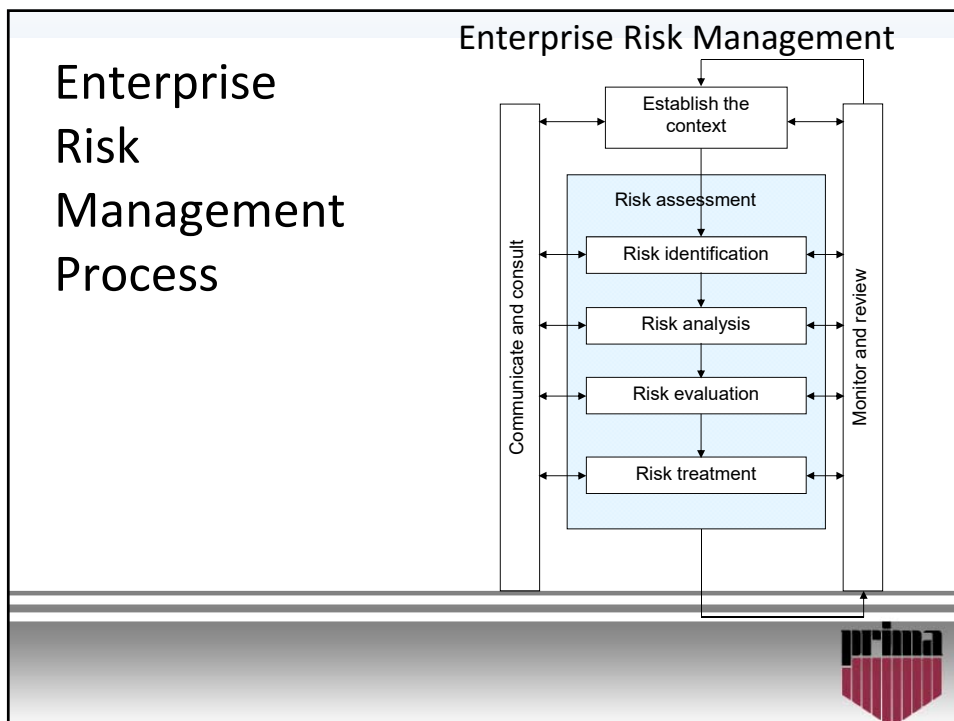
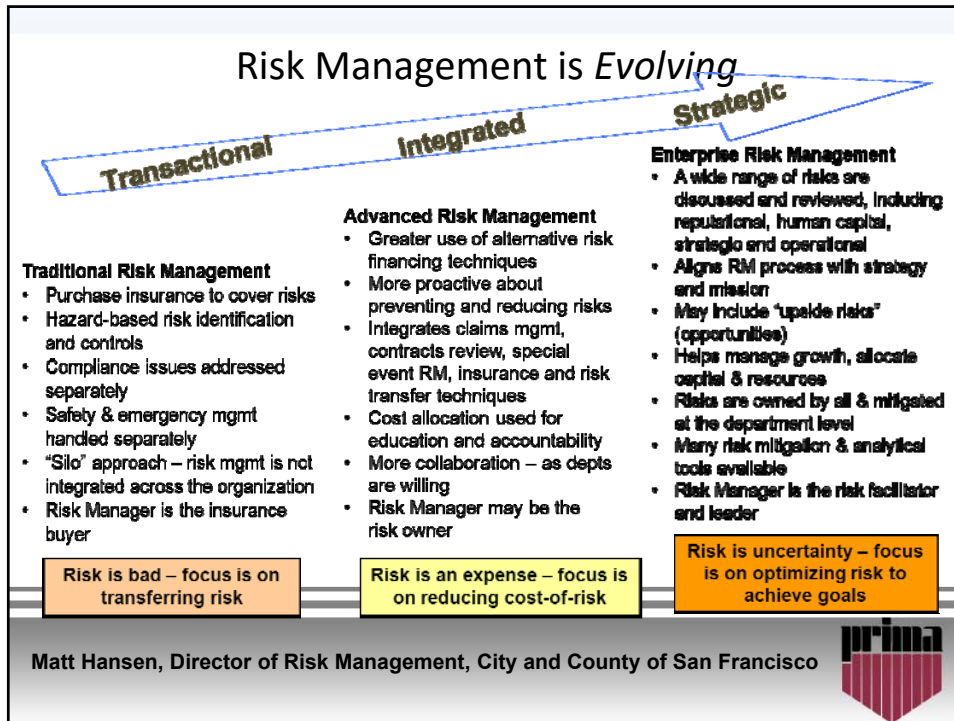
ISO 31000 Definition:

Risk: the effect of uncertainty on objectives

Risk management: the coordinated activities to direct and control an organization with regard to risk

“Risk Management – Principles and Guidelines” ISO
31000:2009





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**“My team has created a very innovative solution,
but we’re still looking for a problem to go with it.”**



Risk Management – Self Motivators

- Difficult to keep positive outlook in face of constant problems
- Interactions generally on when there are issues
- Cannot be “needy”
- Must find ways to keep up energy and find creative outlets to motivate others
- Get your happiness for yourself



Know Your Organization

- Scope of Risk Management in the organization
 - Workers' Comp, OJI, Liability, Safety, Benefits, Training, Purchasing, Loss Control?
 - What has been done?
 - What HAS to be done right now?
 - What NEEDS to be done?
 - Narrow from there and Prioritize
- See Where you are
 - Written Programs?
 - Insurance Programs?
 - Carriers/TPAs/Brokers?
 - Data Evaluations/Loss Runs?



Know Your Organization(cont.)

- Meet with External Resources to develop relationship
 - State/Regional PRIMA Chapter
 - Insurance Company Reps
 - TPAs/Brokers
 - Local OSHA Office?
 - Renewal Applications can give you an avenue for interaction with departments on a non-confrontational basis



- Visit Departments – know and understand your operations
- Territorial Issues– communicate your commitment to be a resource, not a hindrance – build relationships
- If you are new –
 - We’ve always done it this way
 - We tried that – it didn’t work
 - Listen more than speak
- Make sure you have Leadership support
 - understand their expectations
 - know your role
 - ask for work plan
 - get feedback



- Find your “straight shooters” - They will provide accurate information and feedback on:
 - Claims – workers’ comp and liability
 - Problems to address
 - Legal concerns – “sunshine law” violations, honest information collection, difficult working environments
 - Effective damage/subrogation collection information
- Complainers – Don’t discount the value of the employee with the negative view – they can provide valuable insight if you have the patience to wade through all the negativity!



Your Office

- Open Door Policy
 - Get out there!
 - Be a visible presence in your entity – all employees should know who you are
 - Employees must feel welcome to come to you
 - Less likely to hide things from you
 - Effectively stop problems before they balloon into lawsuits
 - Offer suggestions to employees – develop solutions with departments
 - Most of ALL – Ask Questions! Use Resources
 - Don't be embarrassed to not know something – Honest Risk Managers are learning something new all the time
 - Don't be overwhelmed – there is someone out there who can help or who has seen this before



Culture of Safety

- Must have leadership support – real, not superficial
- Authority to stop work
- Input/direction in departmental training
- Relationships with department heads that is inclusive
- Walk the Safety Talk – All the Time!
- Be aware of departmental turmoil, which can lead to increased claims





Data Collection

- Even a simple spreadsheet can be helpful – you have to start somewhere
- Look for patterns
 - Frequency of type, location, operator/employee, department
 - Severity of claims – commonality?
 - Root Cause
 - Follow the dollars –
 - Lost time – what is RTW/alternative task program?
 - High medical – which providers? Reevaluate panel?
 - Liability leaders – Department? Type? Trend?



You – as the Risk Manager

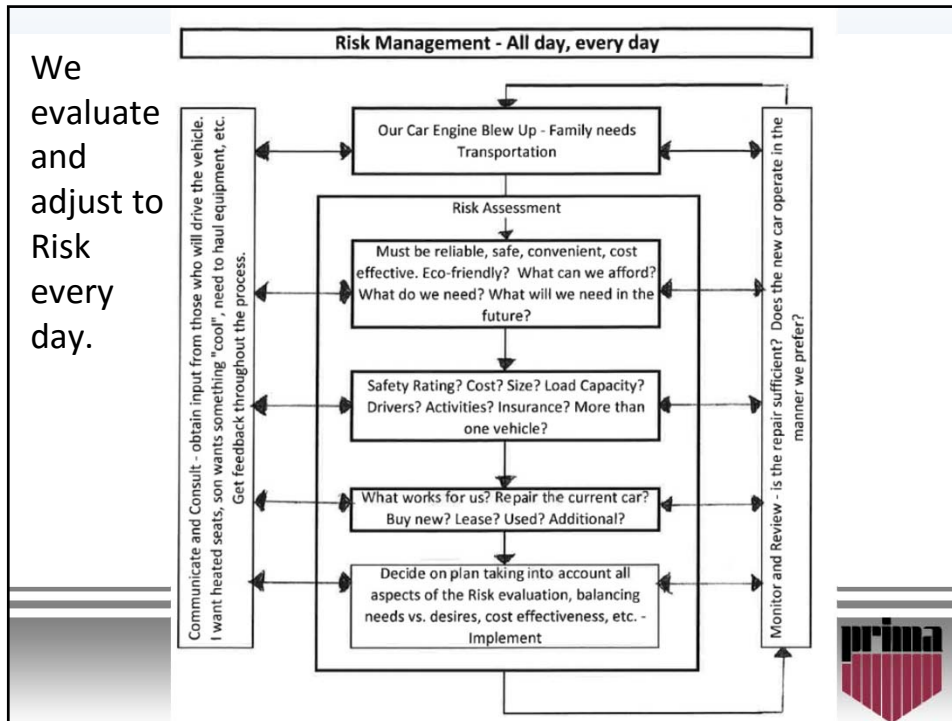
- Know your strengths - Work on your weaknesses
 - Surround yourself with a variety of people
 - Fill out your weaknesses
 - Gives you different perspectives – “yes people” are of no help
 - Use your intuition
 - Try to remain calm – someone has to!
 - Remember – you are not alone. Everyone you meet at this conference has similar circumstances. We will all leave here with at least one “holy crap” in the back of our minds.



Risk Manager – the Ultimate Supporting Player

- Risk Management is used, whether we know it or not, in all aspects of our lives
- Communicate how Risk Management can improve the entire organization
- Be a resource, not a hindrance
- Understand, evaluate, respond, review and reassess
- ERM/ISO31000





Insurers/TPAs/Pools/Regulators

- They don't want claims either
- Great resource for
 - Program evaluation and training – often free
 - Data mining
 - Resource and communication materials
 - Ideas and feedback
 - Help



- <http://www.primacentral.org/index.cfm>
- <http://www.aon.com/default.jsp>
- <http://www.ajg.com/industries/public-sector/resources/>
- <http://www.munichreamerica.com/mram/en/publications-expertise/index.html>
- <https://www.travelers.com/business-insurance/risk-control/index.aspx>
- <http://www.acegroup.com/us-en/news->
- <http://www.tn.gov/labor-wfd/tosha/videolibrary.shtml>
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- <http://www.safetynational.com/webinars.html>
- <http://www2.agilityrecovery.com/library-resources/>
- <http://usa.marsh.com/RiskIssues.aspx>
- <https://www.argolimited.com/pages/argo-group-home/our-brands/trident/risk-control/resources>
- <http://www.mwecc.com/insured/Pages/Online-Training-Course-List.aspx>
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