PROACTIVE RISK MANAGEMENT

COVERAGE

LIABILITY AND PROPERTY

PROACTIVE RISK MANAGEMENT

• Focus
  – Assure Ohio Townships have the correct Property/Casualty coverage to meet the needs of the individual township
  – Review the necessary information required when filling out new and renewal applications to assure effective property/casualty coverage
PROACTIVE RISK MANAGEMENT

• Focus

- Review the most effective way to cover emergency vehicles, buildings, personal property and miscellaneous equipment
- Discuss liability limits for all liability coverage

LIABILITY COVERAGE INFORMATION

General Liability
Public Officials Liability
Employment Liability
Automobile Liability
PROACTIVE RISK MANAGEMENT

PROPERTY COVERAGE INFORMATION

Automobile Physical Damage
Miscellaneous Property
ORC 505.4 – Annual Inventory
Buildings and Personal Property

RISK MANAGEMENT TECHNIQUES

LIABILITY AND PROPERTY EXPOSURES
What is Risk Management?

The set of processes management uses to identify, analyze and appropriately respond to risks that might adversely affect the township.

The response to risks typically depends on their perceived probability and severity and involves controlling, avoiding, accepting or transferring them to a third party.

By definition – risk management techniques are proactive.

Being proactive means the township is doing its part to anticipate the potential areas of loss based on exposures (Administrative, Roads, Cemeteries, Fire, Police, Parks) and takes the steps to do what is necessary in each of those area to prevent or minimize loss. This always works.
PROACTIVE RISK MANAGEMENT

Risk management objectives may include:
• Federal, state and local laws
• Industry best practices
• Legal precedents set

GOALS OF RISK MANAGEMENT
• Prevent losses
• Reduce the frequency of loss
• Reduce the severity of loss
• Reduce the variability of potential losses
• Reduce the costs to losses townships
PROACTIVE RISK MANAGEMENT

METHODS OF RISK MANAGEMENT

• **Avoidance** = never undertaking the activity
• **Loss Prevention** = technique reduces frequency for exposures we can’t avoid (written driver acceptability standards)
• **Loss Reduction** = for losses that do occur, these techniques reduces severity (training, claims management techniques)

**KLA Risk Consulting**

RISK MANAGEMENT & SAFETY
PROACTIVE RISK MANAGEMENT

• Risk management means more than preparing for the worst; it also means taking advantage of opportunities to improve services or lower costs.

• Without good risk management practices, townships cannot manage their resources effectively.

PROACTIVE RISK MANAGEMENT

The only alternative to risk management is:

• CRISIS MANAGEMENT = REACTIVE
  – More expensive, more time consuming and can create adversely affect elections, public relations, the outcome of much needed levies and more…(Road and Sign Inspections)
CLAIM HANDLING COST CONTAINMENT

AUTOMOBILE & GENERAL LIABILITY CLAIMS

DUTIES IN THE EVENT OF A CLAIM OR SUIT:
• Prompt Reporting
• Cooperation
• Do Not Assume Any Liability
CLAIM HANDLING COST CONTAINMENT

AUTOMOBILE LIABILITY:
• Contact Police
• Complete written statements
• Take photographs when possible

CLAIM HANDLING COST CONTAINMENT

AUTOMOBILE LIABILITY MITIGATION:
• ORC 2744 – Call to Duty/Emergency Run
• Comparative Fault
• Property Damage – Multiple Estimates/Appraisal
• Bodily Injury – Adjuster Rapport
CLAIM HANDLING COST CONTAINMENT

GENERAL LIABILITY:
• Obtain written statements
• Take photographs when possible

GENERAL LIABILITY MITIGATION:
• ORC 2744 – Governmental v. Proprietary Functions
• Comparative fault
• Property Damage – Multiple Estimates/Appraisal
• Bodily Injury – Adjuster Rapport