Loss Control and Mitigation

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“There are known knowns. These are things we know that we know. There are known unknowns. That is to say, there are things that we know we don't know. But there are also unknown unknowns. There are things we don't know we don't know.”

- Donald Rumsfeld
Main Topics

- Fire Loss
- Education Specific
- Crime and Cyber Security
- RED FLAGS
- The Most “Efficient” Risk Management Technique
Risk Treatment

Transfer | Avoid
---|---
Control
Retain | Mitigate
Loss Control and Mitigation

Prior to Loss = Loss Control

After Loss = Loss Mitigation
Fire Safety: Liability

- Fire Doors
  - Doors Designed to Close Are Not Propped
  - “Over Locking” of Fire Doors
- Egress
  - Egress Free of Obstruction
    - Storage Space Issues
    - Ease of Exit
  - Evacuation Plan Posted?
Liability Risk Transfer - Red Flag

- Designated Premises
- Designated Operations
Fire Safety: Property Damage

- Sprinkler System and Fire Detection Systems
  - Sprinkler-Spare Heads on Hand w/ Appropriate Installation Equipment
  - Should Never be Painted, Obstructed, or Used to Hang Items
  - Checks, Inspections-Take advantage of local fire department services, keep everything in writing
  - The most dangerous time…
Fire Safety: Property Damage

- Know Your Source
  - HVAC and Electrical Maintenance
  - Extension Cords (Don’t Forget Construction)
  - Kitchen
- Ground Fault Protection
- Consumable Supply Storage and Heating Source
- Arts and Crafts
Property Risk Transfer - Red Flag

- Protective Safeguards
- Warranties
The Problem w/ Policies
School Specific Risk Management
Athletics

- Off Hours Access to Facilities
- Equipment Safety/Soccer Goal Safety
- Warning Systems and Medical Emergencies
- Concussion Management
- Pool Safety
Pool Safety

- Even If You Don’t Have One, Are You Ever Using One
  - Take Note of Shortcomings
- Dive Block Depth Recommendations Followed?
- Availability and Types of Lifesaving Equipment
- Signage
  - Beyond “No Diving”
  - Pool and Locker Rooms
- Fencing/Entry Points
Theatre/Multi-Purpose Room

- Liability/Safety Issues
  - Stage/Props Built In-House
  - Method of Evacuation/Egress

- Property/Asset Protection Issues
  - Specialty Lighting and Curtains
  - Unsafe Storage of Sets/Props w/ Combustible Paint/Material
Campus Use

- Mainly a Contractual Risk Issue (if any)
- What is Being Bought on Campus for Event(s)?
- What Facilities Are Being Used, Can Be Accessed
- What are your “Attractive Nuisances”
Inflatables

- One operator, minimum at all times, more depending on height
- Multiple operators needed with younger users
- Maximum load considerations
- Weight per user
- Wind
- Anchoring, only as outlined by manufacturer
- 75% of stakes must be in ground
- Take off shoes, jewelry, eyeglasses before entering
- No food, drinks, gum
- No tumbling
- No flipping
- No chasing
- No piles
- No mismatched user sizes
- Do not play near exit or entrance
- Do not jump against walls
- Do not play near slides or side walls
- Only one slider at a time
Crime

- “Social Engineering” and the New Frontier
- “But...I Purchase Insurance”
- Prevention is Easier Than You Think
Professional Responsibility/Liability

- Who?
- “Injury” Conundrum
- Insurance-Best Defense
Employment Practices

- Understand What It Is and Where You Are Exposed?
- Avoid Unilateral Decisions
  - Not Always Where You Think
- Complete Files, Discipline Off the Record Is Not Discipline
- Use Experts
- Insurance
Crime

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Cyber Loss

- Data Ownership
- P@$$W0rds
- IT Staff
  - Update(s) Human and System
- End User
  - Who Can See What?
  - Map to Buried Treasure Email
  - Virus Awareness
- Penetration Testing and Audits
Practical Application & Tools

- Perform Routine Safety Audits and Inspections
  - Readily Available Information
  - Create Your Own School Checklist(s)
- Utilize Loss Control Services of Your Insurance Company
- Delegate
- Recognize:
  - Schools Are Complex and Touch Specialized Risk Areas
Contractual Risk Transfer
When/Why It Matters

• When Facilities Should Be Involved
  • Contracted Work for Repairs, Maintenance
  • “Summer” Projects
  • New Additions

• Why Is Risk Transfer Important?
  • Protect School Assets
  • Avoid Adverse Claims History-Reduce Insurance Cost
  • Schools Generally Well Protected=Target?
Two Main Components of Risk Transfer

- Insurance Requirements
  - 3\textsuperscript{rd} Party or Public Liability
  - Automobile Liability
  - Excess Liability/Umbrella Liability
  - Appropriate Property Coverage
  - Worker Injury

- Indemnification
  - Hold Harmless
  - Damage Reimbursement
  - Defense Reimbursement
Purpose and Hints: Verifying Insurance

- Verify Financial Responsibility
- Source of Payment for Damages the School Suffers
- But...Always Remain Flexible and Reasonable
- Vary Based on Exposure
Finding an Appropriate Indemnification Level

<table>
<thead>
<tr>
<th>Level</th>
<th>How Clause Reads</th>
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<tbody>
<tr>
<td>0</td>
<td>Lack of Indemnification Clause</td>
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<tr>
<td>1</td>
<td>Mutual Indemnification</td>
</tr>
<tr>
<td>2</td>
<td>Except for Negligence of School</td>
</tr>
<tr>
<td>3</td>
<td>Except for Gross Negligence of School</td>
</tr>
<tr>
<td>4</td>
<td>Any Action of School</td>
</tr>
</tbody>
</table>
Indemnification: What We’re Looking For

- Pass responsible for loss to appropriate responsible party
- Some contracts remain silent on the issue
- Key in on phrases like: defend, hold harmless, negligence, responsible
Contractor shall fully indemnify, hold harmless and defend The School and its directors, officers, employees, from and against all claims, actions, suits, demands, damages, liabilities, obligations, losses, settlements, judgments, costs and expenses (including without limitation reasonable attorney’s fees and costs which arise out of, relate to or result from (1) any breach of any representation or warranty in this Agreement, (2) any claims arising out of the completion of the services of this agreement, unless caused by the gross negligence of the School.
If You Can Only Get One Thing

- Hold Harmless Provision
Practical Application & Tools

- Standard Contract and Insurance Language
- Umbrella/Excess Limits Predefined
- Appropriate Delegation of Approval and Exceptions
- Risk Transfer Guidelines
- Always Seek Outside Counsel Approval, If Available
Remember

- Be Flexible and Consider:
  - Scope of Works
  - Size of Contractor
  - Local Standards
- Seek Outside Counsel if Considering a Change