

OVERVIEW OF RISK MANAGEMENT

WHAT IS RISK?

Webster defines Risk as "the possibility of loss or injury; peril; the chance of loss; or the perils to a person or thing that is insured."

WHAT IS RISK MANAGEMENT?

Webster defines Risk Management as "the treatment of exposures to loss; and the science of anticipating and controlling the elemental, inherent and environmental hazards that could cause financial loss, and the determination of the most efficient ways of coping with such a loss." Risk Management involves careful examination of inherent and possible risks.

TYPES OF RISK

Risks can be natural, man-made, or due to activities. Examples of risks include: lightning, sun, food, activities (horse, shooting sports, gymnastics), bugs, disease, water, transportation, natural hazards, fire, buildings and equipment, raccoon rabies, drugs and alcohol, drinking and driving, lack of personal boundaries, misinterpretations, and accusations.

WAYS TO HANDLE RISK

There are several ways to handle risk including:

1. Transfer the risk of financial loss to an insurance company.
2. Retain small risks that are frequent.
3. Reduce risk by eliminating risk or adding safety equipment or practices to prevent injuries. Making sure the safety equipment is well maintained. Examples include: cutting back bush and dead tree limbs, using personal flotation devices, and installing fire extinguishers.
4. Avoid risk with common sense and experience. For example, choosing safer terrain or cancelling an activity if the safety instructor is not there.

Questions to ask to manage risk:

1. Does this activity offer the possibility of injuries to large amounts of youth and adults?
2. What kind of damage or injury could occur?
3. How large or severe?
4. How frequent?
5. How can we change the likelihood?