

Risk Management

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Risk Management

- Risk- *“the chance of **injury** to your members or participants, **damage** to your property or property of others which you may be responsible for, or other **loss** to your organization, directors, volunteers, members, or to someone else”* (Corbett and Findlay, 1998, p.20).
- Risk Management- *“**reducing** the chances of injury, damage or loss by taking steps to **identify, measure, and control risks**”* (Corbett and Findlay, 1998, p.21).

Risk Management

- Physical activity and sport events include risk
- Risk management is not about eliminating risk, but reducing and managing
- Risk management is done by everyone in an organization – everyone must be concerned about risk management

Management Perspectives for Risk Management

- As a manager of a Sport Organization you are responsible to:
 - provide a safe environment;
 - make decisions that are "fair" for your members;
 - and "properly care for and protect its assets and resources" (Corbett and Findlay, 1998, p.6).

Why is Risk Management Important

- Reduces injuries to participants
- Prevents lawsuits, or defends against lawsuits
- Reduces insurance costs
- Protects volunteers
- Positive image for the organization
- Reduces occurrence of harmful disputes
- Insurers and/or funders may require it
- Organization governs more effectively

Negligence and Liability

- These are two legal terms that can be associated with Risk Management.
- Negligence- *"behavior or action which falls below a "reasonable" standard of care"* (Corbett and Findlay, 1998, p.9).
- Liability- is where a person/organization is responsible for the negligent conduct, which often results in compensation (i.e. money).
 - Liability would most likely be a problem in situations involving **unreasonable risk**.

Reasonable v. Unreasonable Risk

- It is the responsibility of the manager to respond to **any** type of risk.
- A reasonable type of risk, consists of an activity that is a norm or an inherent part of the event/game
 - One could expect (injury damage or loss) in this way as part of the event
 - Example: Physical Contact in Hockey, Boxing, skiing
- An unreasonable risk is any type of activity that is not part of the event/game
 - One would not expect this type of (injury damage or loss) in the event
 - Example: Fighting in the stands at an Oiler's game, attacking referees, getting your car torched at Stanley Cup celebrations

3 Components of Negligence — see pages 9-12 of handbook

- **Duty of Care**
 - “Must have been in a circumstance which created a duty of care to ensure the reasonable safety of another person” (Corbett and Findlay, 1998, p.10).
 - Example: Coaches relationship with Athletes
 - Athletic therapists and the athletes
- **Standard of Care**
 - Written Standards
 - Unwritten Standards
 - Case Law
 - Common Sense
- **Harm or loss is suffered**
- **Summary:** *“Failure to meet the standard causes or substantially contributes to harm or loss” (Corbett and Findlay, 1998, p.9)*

Precautions for Minimizing Risk

1. Provide a safe environment for the activity
2. Provide safe equipment and apparatus
3. Provide adequate supervision of activities
4. Provide adequate qualified medical assistance
5. Provide suitable competition/activity taking individual preparation and differences in size and skill under consideration
6. Provide qualified, properly trained instructors
7. Provide due process in dealing with coach/athlete conflicts
8. Provide clear, written policy, procedure and rules for training and general conduct
9. **Obtain appropriate general liability insurance coverage**

3 Steps to Risk Management

- Identifying the Risks
 - Things that could go wrong with an activity or event.
 - Are the risks reasonable or unreasonable?
 - How do you go about doing this identification? Examples follow.
- Measuring or assessing the Risks
 - What is the probability that injury, damage or loss will occur?
 - What are the consequences?
- Controlling the Risks
 - What can I do to prevent injury, damage or loss?
 - What can I do to minimize the injury, damage or loss?
 - What is my protocol when something bad happens?

Identifying the Risks

- Brainstorming is an excellent way of identifying potential risks.
- 4 main sources of Risk:
 - Facilities
 - Equipment
 - Programs
 - People
- 3 main types of Risk:
 - Physical injury
 - Wrongful actions
 - Property loss or Damage

Measuring the Risks

- Determine if it is Reasonable or Unreasonable risk
- Since Unreasonable risk contains the greatest risk of liability, focus on unreasonable risk.
- Low, medium, and high risk. Examples:
 - Low-
 - Medium-
 - High-

Controlling the Risks

- There are three ways to manage all types of risk:
 - **Retain (accept) the risk:** there is a low risk, plus minimal level of injury, damage or loss.
 - **Transfer the risk:** you accept the level of risk, but it is transferred through contracts (i.e. waiver).
 - **Avoid the risk:** you take steps to restrict, limit, postpone, or cancel activities (i.e. do not travel because of bad weather).

Examples

- Facilities – floors, turf
- Equipment – face or neck guards
- Programs – team selection process, entry deadlines, medical support – trainers, docs, physios at events or practices
- People - athlete misconduct, incompetent officials, qualified coaches

- Need appropriate Policy, Procedure and Rules for all of these aspects of Risk Management
