



Loss Control



Specialty Human Services Division

Thanks for joining! We will begin momentarily.

Third-Party Risk Transfer

With Jared Bishop

August 31, 2023

Disclaimer

The information presented in this publication is intended to provide guidance and is not intended as a legal interpretation of any federal, state or local laws, rules or regulations applicable to your business. The loss prevention information provided is intended only to assist policyholders in the management of potential loss producing conditions involving their premises and/or operations based on generally accepted safe practices. In providing such information, Great American does not warrant that all potential hazards or conditions have been evaluated or can be controlled. It is not intended as an offer to write insurance for such conditions or exposures. The liability of Great American Insurance Company and its affiliated insurers is limited to the terms, limits and conditions of the insurance policies underwritten by any of them. © 2023 Great American Insurance Company, 301 E. Fourth St., Cincinnati, OH 45202. All rights reserved.

Our Focus Today

- Introduce the concept of negligence
- Define risk transfer & why it is needed
- Overview of Best Practices of Risk Transfer

Introducing Today's Speaker



Jared Bishop, CPG 

- Divisional Assistant Vice President, Loss Control

Why Risk Transfer?

You decide

After hearing the scenario, is there a case for liability?

YES or NO



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What Happens When Something No One Thought Could Happen Actually Happens?

- Shock and/or Disbelief?
- Regret and/or Guilt?
- Questions? Why? How?
- Assignment of Blame
- Demand for Compensation

Negligence

Negligence is defined as:

- Conduct which falls below the standard established by law for the protection of others against unreasonable risk of harm
- All conduct which, although not intended to invade any legally protected interest, has the element of social fault
- An act or an omission to act when there is a duty to do so

Source: Restatement (Second) of Torts, Section 282

The Reasonable Person Standard

- The standard of reasonableness is often described as the ordinary care standard or the prudent person standard. *Source: Restatement (Second) of Torts, Section 282*
- Reasonable Person - The hypothetical reasonable person behaves in a way that is legally appropriate. *Source: Nolo's Plain-English Law Dictionary*

Making a Case for Negligence

Four elements are required to establish a prima facie case of negligence:

1. the existence of a legal duty that the defendant owed to the plaintiff
2. defendant's breach of that duty (Errors & Omissions)
3. plaintiff's sufferance of an injury
4. proof that defendant's breach caused the injury (typically defined through proximate cause)

Source: Restatement (Third) of Torts: Liability for Physical Harm § 3 (P.F.D. No. 1, 2005)

Risk Assessment

Physical Risks	Tabletop Discussion
<ul style="list-style-type: none">✓ Slip/Trip/Fall Hazards✓ Securement of Furniture and other heavy items that could fall over✓ Securement of areas of the building not in use.✓ Isolated Areas not Visible to Staff✓ Increased sanitation of Play Areas and Surfaces in accordance with CDC standards.✓ Electrical Safety✓ Crisis Response Plan in Place✓ Bathroom Procedures✓ Safe Food Handling Measures, Food Allergies✓ Maintaining Building Emergency Egress Routes✓ Medication Procedures✓ Maintaining Proper Child-to-Staff Ratios and supervision of children at all times.	<ul style="list-style-type: none">✓ Compliance with local/state health codes.✓ Prioritization of children of healthcare workers✓ Adherence to state and federal mandates✓ Adequate Training of all New Staff/ Volunteers and Training of Staff/Volunteers in New Roles✓ Parent pick-up/drop-off procedures✓ Physical Security Vulnerability Assessment✓ Proper Screening of New Staff and Volunteers – Careful consideration of staff/ volunteers in identified “At-Risk” people.✓ Appropriate Age Grouping✓ Third Party Risk Transfer Measures, if needed.✓ Sick Child Response Protocols and Isolation Procedures. Infectious Disease Safe Practices in Place. Child Screening

Risk Matrix

Risk Assessment Matrix				
Likelihood of OCCURRENCE or EXPOSURE For selected Unit of Time or Activity	Severity of Consequence			
	NEGLIGIBLE	MARGINAL	CRITICAL	CATASTROPHIC
Frequent	MEDIUM	SERIOUS	HIGH	HIGH
Probable	MEDIUM	SERIOUS	HIGH	HIGH
Occasional	LOW	MEDIUM	SERIOUS	HIGH
Remote	LOW	MEDIUM	MEDIUM	SERIOUS
Improbable	LOW	LOW	LOW	MEDIUM


Likelihood		Severity/Consequence	
Frequent:	Likely to Occur Repeatedly	NEGLIGIBLE:	First Aid or Minor Medical Treatment
Probable:	Likely to occur several times	MARGINAL:	Minor injury, lost workday accident
Occasional:	Likely to occur sometime	CRITICAL:	Disability in excess of 3 months
Remote:	Not likely to occur	CATASTROPHIC:	Death, disability,
Improbable:	Very unlikely - may assume exposure will not happen		



Risk Level	
LOW:	Risk Acceptable, Remedial Action Discretionary
MEDIUM:	Take Remedial action at appropriate time
SERIOUS:	High priority remedial action
HIGH:	Operation not permissible

Hierarchy of Controls

Not All Controls Are the Same

Hierarchy of Health and Safety Controls		
Most Effective	CONTROLS	EXAMPLES
	1) Elimination	<ul style="list-style-type: none">• Design to eliminate hazards, such as falls, hazardous materials, noise, confined spaces, and manual material handling.
	2) Substitution	<ul style="list-style-type: none">• Substitute for less hazardous material.• Reduce energy. For example, lower speed, force, amperage, pressure, temperature, and noise.
	3) Engineering Controls	<ul style="list-style-type: none">• Ventilation systems• Machine Guarding• Sound enclosures• Circuit breakers• Platforms and guardrailing• Interlocks• Lift tables, conveyors, and balancers
	4) Warnings	<ul style="list-style-type: none">• Signs• Backup alarms• Beepers• Horns• Labels"
	5) Administrative Controls	Procedures <ul style="list-style-type: none">• Safe job procedures• Rotation of workers• Safety equipment inspections• Changing work schedule Training <ul style="list-style-type: none">• Hazard Communication Training• Confined Space Entry"
	6) Personal Protective Equipment	<ul style="list-style-type: none">• Safety glasses• Hearing Protection• Face shields• Safety harness and lanyards• Gloves• Respirators"
Least Effective		

Enter Risk Transfer



- Not one specific item, but a series of controls applied in layers.

Enter Risk Transfer



- Risk Transfer is Planning
- Anticipating that the worst will happen and preparing for it.

Enter Risk Transfer



- Shifting all (or a %) of the responsibility to a separate entity.

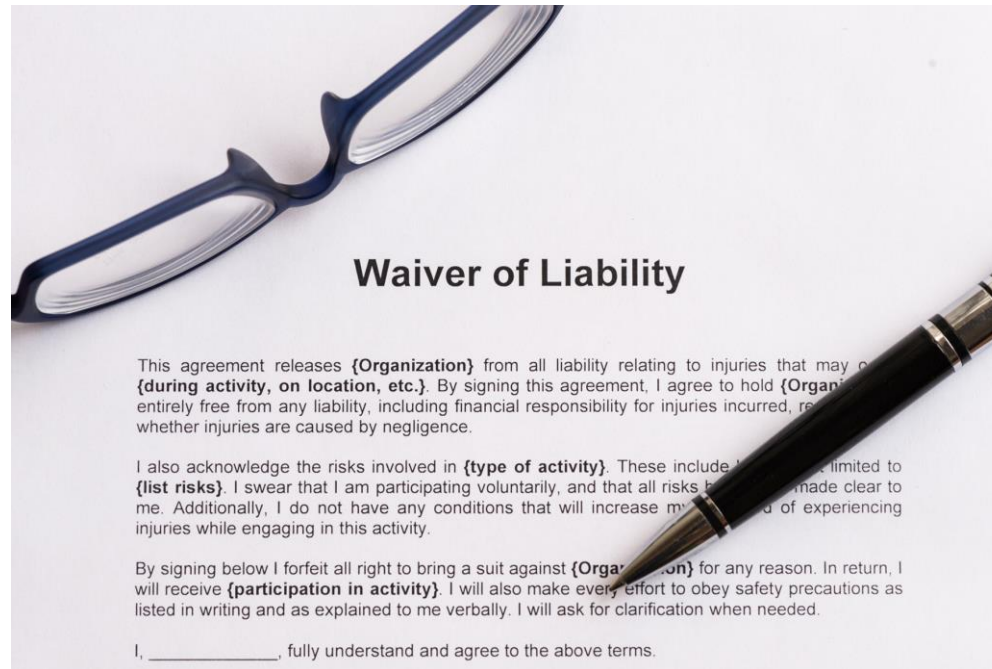
Enter Risk Transfer



- Is necessary for the protection of people & organizations.

Best Practices for Risk Transfer

Waivers of Liability



Best Practices for Risk Transfer

Contracts



Best Practices for Risk Transfer

Certificates of Insurance



Best Practices for Risk Transfer

Additional Insured Status



Best Practices for Risk Transfer

Follow-Up



Best Practices for Risk Transfer

Documentation & Recordkeeping



Best Practices for Risk Transfer

Visitor Controls

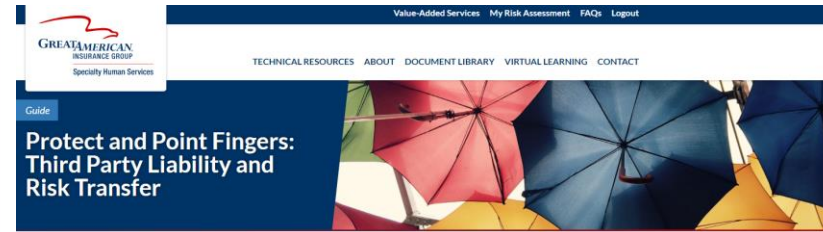


When to Start?

The time to prepare is before the activity begins.



Resources from Specialty Human Services

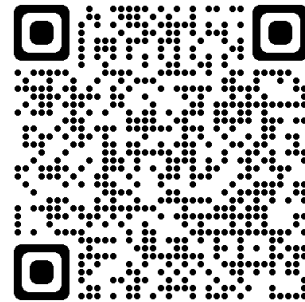


All nonprofits depend on support and services from external partners such as for-profit vendors, public entities, and other nonprofits. These relationships remain beneficial when a nonprofit team understands why and how to transfer responsibility for risk to its partner entities. Prepare to protect your mission, assets, and reputation by understanding and applying smart risk transfer strategies.

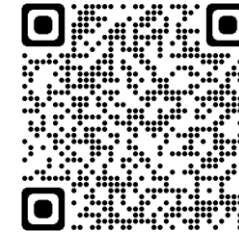
Why Transfer Risk?

Risk transfer is a method of funding losses using external funds (such as insurance), or by sharing responsibility for financial or legal ramifications with another organization. Risk transfer can help protect an organization from harm or damage caused by its partners, for example, in situations like these:


- You allow another charity to host a meeting in your office space, and your guests accidentally trigger the sprinkler system, causing significant water damage to your property
- You engage a partner organization to facilitate a unique day program for the developmentally disabled adults living in one of your facilities and learn that one of the partner's employees allegedly assaulted one of your clients
- Your hospital relies on third-party software to manage the electronic health records of your patients; the software vendor experiences a data breach and your patients' protected health



SHS Risk Resources Portal



Nonprofit Risk Management Center – My Risk Management Policies



Welcome Jared Bishop

HomeMy PoliciesMy AccountContact UsFAQsLogout

My Risk Management Policies

The policies you have created are listed below. You may add a new policy by clicking on the Add a Policy button. You may also edit an existing policy by clicking on the pencil (✎). To permanently remove a policy record, click on the red X (✖). To view a policy or download a PDF version click on the preview icon (📄). You may also email an HTML version of your policy by clicking on the envelope (✉).

Risk Resources

Additional GAIG Risk Resources are just a click away

- ▶ [My Risk Management Plan](#)
- ▶ [My Risk Assessment](#)

- ▶ [Vendor / Exhibitor Code of Conduct](#)
- ▶ [Verification of Compliance with Background Checking Requirement](#)
- ▶ [Visitors Policy](#)
- ▶ [Volunteer Agreement](#)
- ▶ [Volunteer Driver Policy](#)
- ▶ [Volunteer Orientation Policy](#)
- ▶ [Waiver/Hold Harmless/Liability Releases](#)
- ▶ [Weapons Policy](#)
- ▶ [Weapons-Free Workplace Policy](#)
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Assistance from GAIG Loss Control

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GREAT INSIGHTS > LOSS CONTROL

Plan & Protect



Life is full of uncertainties. While not all types of loss are preventable, many can be mitigated through proactive action. Great American's team of Loss Control experts builds on years of experience to help businesses prepare for and stay protected from different types of loss.

At Great American, not only do we take loss control seriously, we try to make it easier for our customers to operate in a safer environment. From thermal imaging, various training sessions, and educational information such as our Safety Topics, we provide specialized services to reduce loss potential, loss costs, and control unsafe acts and conditions.





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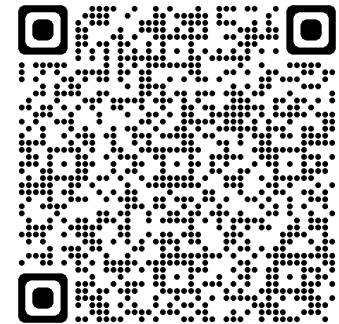
FOR BUSINESSES > LOSS CONTROL SERVICES

The Streamery Safety Video Library

Great American Policyholders have access to a vast library of streaming video and training content provided through Streamery. The library is an excellent supplement to our policyholders' overall safety and risk management programs.

Library Overview

Great American's safety video library includes over 800 training programs with over 400 titles available in Spanish covering a wide variety of hazard-specific and industry-specific topics. Topics are categorized in the online library to facilitate browsing by hazard, operation or industry. Content ranges from OSHA compliance and employee safety, to driving and driver issues, and human resources and management topics.



Q & A Session





for all the *great* you doSM

THANK YOU