



Risk Management Nightmares

PARMA Annual Conference
February 9, 2015

Industry Nightmares – What are you going to do about it?

- Additional Insured on Certificate
- Lac Megantic
- BART Strike
 - Tarnished reputation

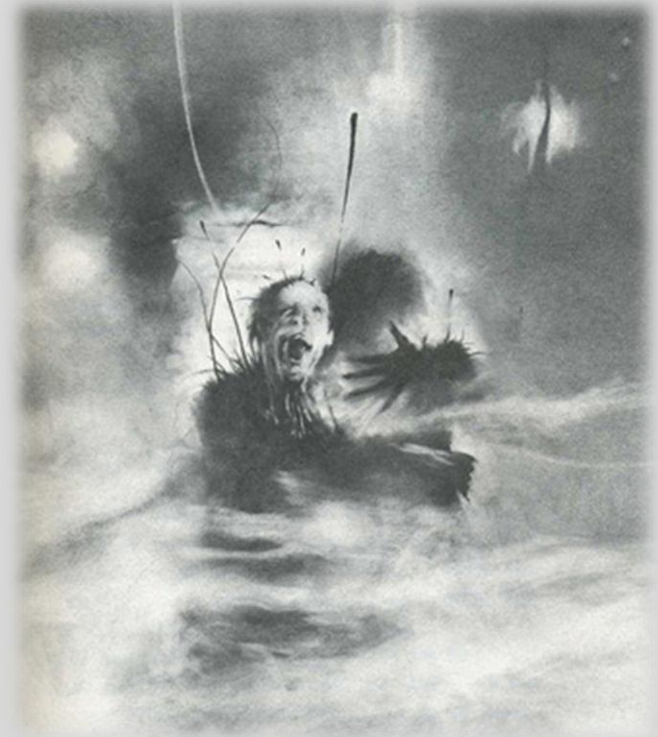


What risks are we worried about?



Nightmares

- City block acquired for construction of BART Phase 2 – underground extension through downtown San Jose
 - Existing buildings on site are in poor state of repair
 - Potential for trespassers' injury – litigation
 - Reputational threat



Nightmares

- Highway Projects – Temporary Structure for flyover collapse during peak commute hours
 - Mass casualties – Litigation
 - Media coverage – Reputational Risk
 - Impact on project and community

Nightmares

- Signal failure or Operator error leading to bus versus light rail collision
 - 100s of injuries which lead to litigation
 - Media coverage – Reputational Risk
 - Loss of community trust and loss of ridership



LIVE

BREAKING NEWS

TPW HD

"GIANT CREATURE" ATTACKS
SAN FRANCISCO THREATENED

9:32 AM PST
AUG 11, 2013

NATIONAL GUARD CALLED IN FOR BACKUP BUILDING COLLAPSES REPORTED IN

Nightmares



Nightmares



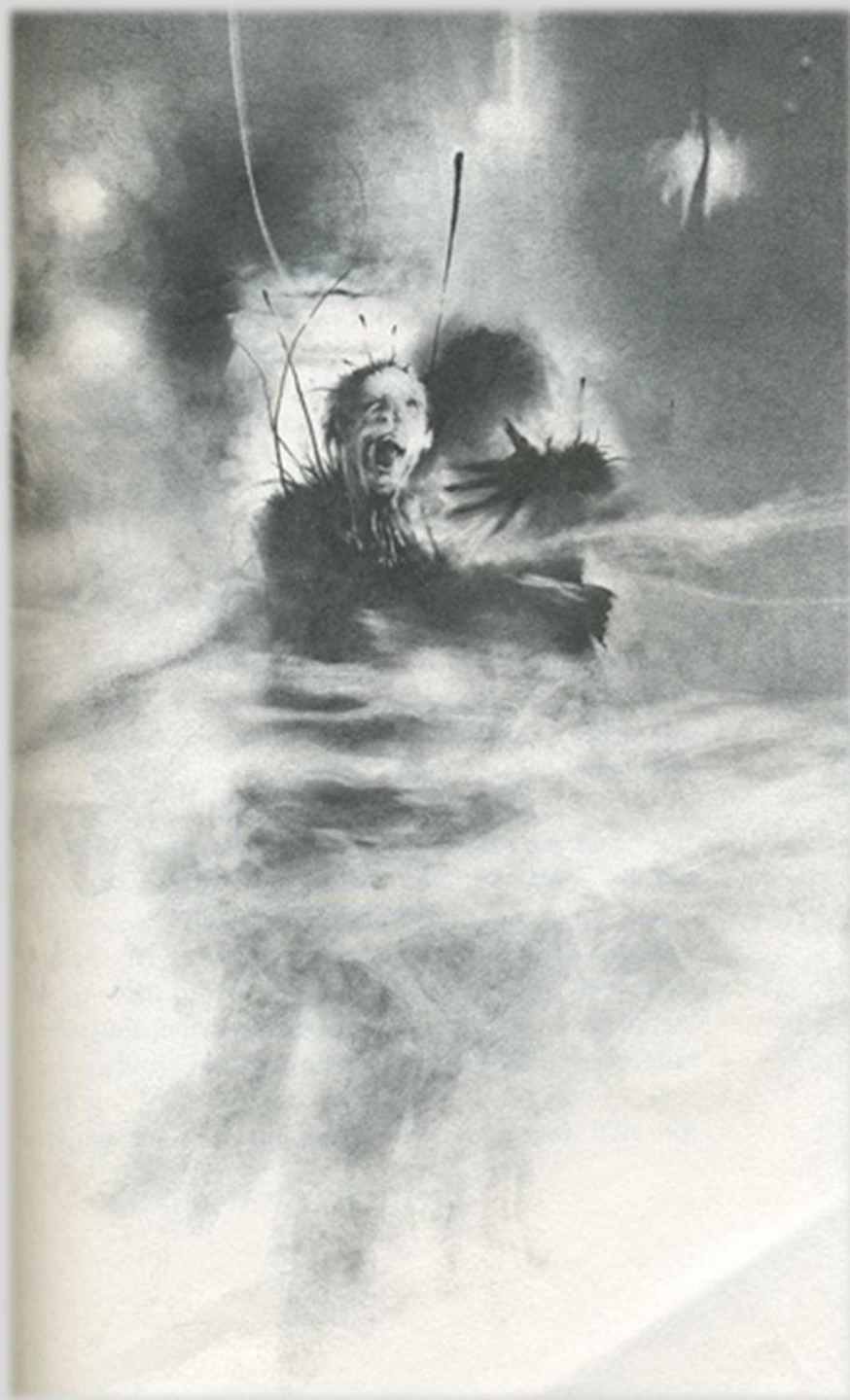
Nightmares

- Officer involved shootings
 - Potential injuries/death to officer
 - Potential injuries/death to others
 - Workers' compensation issues
 - Lawsuit issues
 - Publicity, public perception



“The Trifecta”

- Crew inspecting sidewalk after a trip & fall accident.
- Truck stolen.
- Employees follow truck.
- Car thief hits a third party while in the City’s truck.
- Damaged party files a claim with the City.

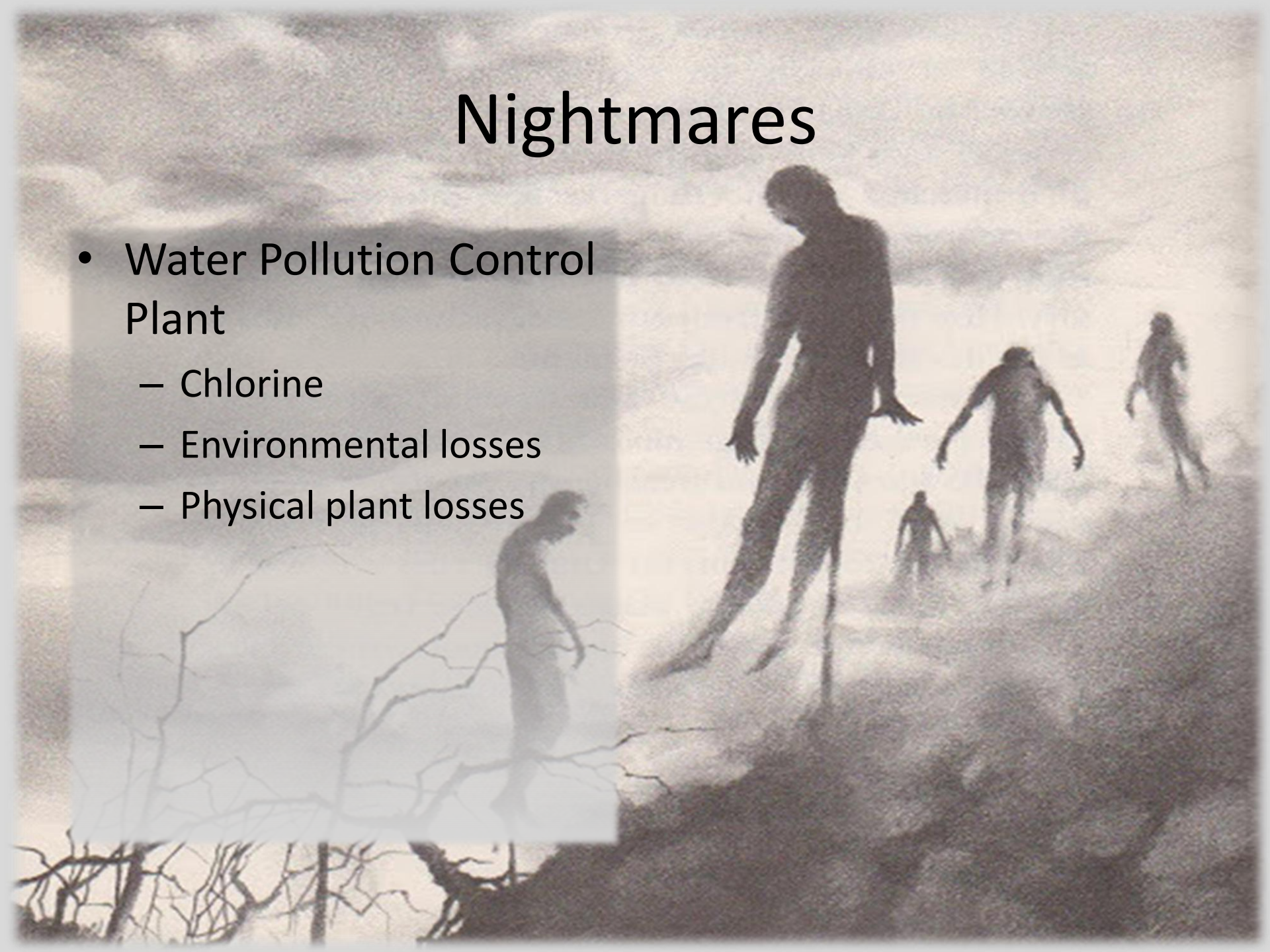


The Trifecta

- Potential injuries/damage from car thief
- Potential injuries/damage from City employees following
- Potential WC issues
- Auto theft loss/Auto physical damage
- Reporting of hazard

Nightmares

- Water Pollution Control Plant
 - Chlorine
 - Environmental losses
 - Physical plant losses





**What are Your
Nightmares?**

So, how do we sleep at night?



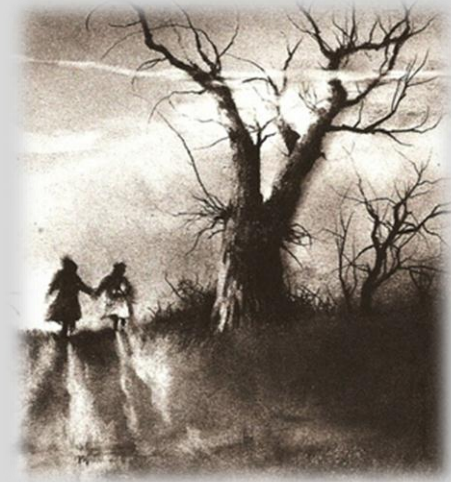
BOO!



Sleep Remedies – The Risk Management Steps

A decision-making process:

1. Identify loss exposures
2. Analyze loss exposures
3. Examine feasibility of RM techniques
 - Risk treatment
 - Risk financing
4. Select appropriate RM techniques
5. Implement selected RM technique
6. Monitor results and revise RM program



Sleep Remedies

- Change policies and procedures if necessary
- Good training
- Good communication and reporting
- Avoidance (if possible and reasonable)
- Strong risk transfer
- Quality insurance if sufficient amounts



