Move United
Managing Risk Beyond Compliance

Presented By
Willis Towers Watson

May 13th, 2020
Objectives

Consider how we recognize, evaluate and control “Risk”

Making good decisions (PRDM)…there is “Risk” in everything you do

Review current trends in “Safety Management”

Introduce “Enterprise Risk Management” approach to Safety objectives

Reinvigorated your “Safety Culture” as an Organization

Recognize “Safety/ERM” as a “Value”, not as a standalone component

Discuss “Best Practices” for Incident Investigation
Risk Control

BEYOND COMPLIANCE

Charles W. Brandt II, CSP CPP CFPS CBCP CBCLA MS
Vice President, Senior Risk Control Consultant
Risk Control and Claim Advocacy Practice
Safety Rules and Regulations
What Gets Us In Trouble?

**Liability / Negligence**
- Duty Owned
- Breech of Duty
- Foreseeability
- Causal Relationship to the loss
- Serious Injury or Death

**Reputational Risk**
- Direct
- Association
- Affiliation, Inappropriate behavior
- Sexual assault, scandal
- What you print, what you say

**Financial**
- Misappropriation of funds
- Fraud, theft, accounting errors, intentional acts
- Tax evasion, misrepresentation
- Fund raising, lack of disclosure
“All of these compliance rules and regulations are such a bother. I never thought we actually had to read our policies and procedures.”
Communication

- Rules
- Regulations
- Standards
- Policies
- Procedures (SOP’s)
- Laws
- Guidelines
- Recommendations
- Memorandums of Understanding (MOU’s)
Factors Influencing Risk

THINK
SAFETY FIRST

CONDITIONS
5%

95%
AT RISK BEHAVIORS
AT RISK BEHAVIORS
Inconsistent Loss Performance

Loss Results 2017

Loss Results 2018

Loss Results 2019
A New Way of Thinking…

SAFETY IS NOT A PRIORITY
SAFETY IS A VALUE

PRIORITIES CHANGE
VALUES DO NOT
“YOUR SAFETY MANAGEMENT SYSTEM IS DESIGNED PERFECTLY FOR THE RESULTS YOU ARE ACHIEVING”
Deepwater Horizon April 10th, 2010
11 Deaths

PERCEPTION OF SAFETY VS. PRESENCE OF SAFETY
Multiple Causal Factors

“Behind every accident there are many contributing factors, causes, and sub-causes. These factors combine in a random fashion to cause accidents.”

Dr. Dan Petersen
How Do We Manage Risk?

ACCEPT

AVOID

TRANSFER

MITIGATE
Enterprise Risk Management is an extension of a traditional safety and risk management process

ERM...
Managing all risks affecting an organization's ability to meet its goals regardless of the types of risks being considered.
# HAZARD RISK ASSESSMENT MATRIX

<table>
<thead>
<tr>
<th>Frequency of Occurrence</th>
<th>Hazard Categories</th>
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<tbody>
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<td><strong>Improbable</strong></td>
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- **Unacceptable**
- **High**
- **Medium**
- **Low**

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Hierarchy of Controls

- **Most Effective**
  - Elimination
    - Physically remove the hazard
  - Substitution
    - Replace the hazard
  - Isolation
    - Isolate people from the hazard
  - Engineering Controls
    - Engineer out the hazard
  - Administrative Controls
    - Change the way people work
  - PPE
    - Protect the worker with Personal Protective Equipment

- **Least Effective**
Prime Recognition Decision Marking (PRDM)

The Human Brain is like a computer hard drive

When we are presented with a situation our brain scans the hard drive to look for a match...

“I have been here before”
“I have done this before”
“This worked the last time”
“Last time this happened”

We relate conditions to previous like circumstances that ... **may or may not** be similar.

Operations that are LOW FREQUENCY, HIGH SEVERITY .....STOP

Greatest potential for a significant emotional event to occur!

Severe Injury, Permanency, Death, Significant legal & reputational consequences
Simple Risk Assessment

Probability vs. Severity

- **NDT High Risk**
  - Low Frequency (DT)

- **High Risk**
  - High Frequency

- **Low Risk**
  - Low Frequency

- **Low Risk**
  - High Frequency

**FREQUENCY**

**LF HR events most critical**

Non - Discretionary time versus Discretionary time decisions

LRHF LRLF less concern

HRHF + PRDM + Training/Ed.
(PRDM) Does not account for Changes in…

**Personnel**
knowledge, skills, abilities, physical condition, mental state, distraction, complacency, over confident

**Process**
short cuts, various interpretations, habits, lack of controls, failure to follow SOP’s

**Environment**
weather, lighting, glare, humidity, temperature, surface, grade, conditions, venue, course, new facility

**Equipment**
Condition, types, brand, safety features, rigging, operation, design, familiarity

**Third Parties (vendors)**
contracts, process, personnel, experience, controls, sub-contractors

**Regulations, Rules of Engagement**
Understanding, interpretation, language barriers, training, experience, terminology
Risk Management Review

- Recognize standards as “rules of engagement” associated with your specific activity.
- Effectively communicate with others and ensure understanding of these controls.
- Adopt “Safety” as a “Value”, not as a stand alone element of your risk management process.
- Consider simple “Risk Assessments” to determine possible risk reduction/mitigation.
- Follow Hierarchy of Controls, PPE should always be your last resort.
- Take time to analyze all High Risk, Low Frequency activities.
- Don’t rely on PRDM if at all possible, discretionary time (DT).
- Consider changes in condition that impact behaviors and loss exposures.
- Conduct detailed incident investigations (CAP) to reduce probability for reoccurrence.
Claims Management

INCIDENT INVESTIGATION

Jim Jordan
Area Practice Leader
Risk Control and Claim Advocacy Practice
Why Investigate

- Prevent future incidents
- Identify and eliminate hazards
- Expose deficiencies in process and/or equipment
- Reduce injury and potential claim costs
- Maintain good morale with employees, participants and volunteers
Investigate All Incidents

Conduct and document an investigation that answers:

- Who was present?
- What activities were occurring?
- What happened?
- Where and what time?
- Why did it happen?
Investigative Priorities

- Develop a plan
- Assemble an investigation kit
- Investigate all incidents and accidents immediately
- Collect facts
- Interview witnesses
- Write a report
Investigation Kit

- Camera Equipment
- First Aid Kit
- Tape Recorder
- Gloves
- Tape Measure
- Large Envelopes
- High Visibility Tape
- Report Forms
- Scissors
- Graph Paper
- Personal protective equipment
- Items specific to your worksite
Begin Investigation Immediately

It’s crucial to collect evidence and interview witnesses as soon as possible because evidence will disappear and people will forget.
Fact Finding

- Injured Party
- Witnesses and physical evidence
- Position of injured party & equipment
- Operation logs, charts, records, Service records
- Equipment/Property identification numbers
Investigative Techniques

- Take notes on conditions – weather, time, etc.
- Note overall general environment
- Note floor or working surface condition
- Take many pictures
- Multiple angles
- Start away and work inward
- Draw the scene
- Never discard or destroy evidence
Interview Witnesses

- Interview promptly after the incident
- Choose a private place to talk
- Keep conversations informal
- Talk to witnesses as equals
- Ask open ended questions
- Listen. Don’t blame, just get facts
- Ask some questions you know the answers to
Writing The Report

Answer the following Questions...

β When and where did the accident happen?

β What was the sequence of events? (multiple event theory)

β Who was involved?

β What injuries occurred or what equipment/property was damaged?

β How were the individual(s) injured or damage sustained?
Thank You

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