

Risk Management – Are You Ready?

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This Program

- What is Risk? What is Risk Management?
- Industry Preparedness
- Scenarios
- 10 Risk Management Tools and How to Use Them
- Managing the Repercussions
- Resources

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Your Key Learning Points

What do you want to learn about this topic?



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What is Risk?

Risk – potential for exposure to loss.

Risk is the “potential,” not the actual occurrence.

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Why not emergency response procedures?



- Strategic focus
- What’s our job?
- Proactive, not reactive
- Filling a gap

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Whose Perspective?

- Meeting organizer
- Hotel / Facility
- Meeting supplier/vendor
- Meeting attendee

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Why Do Meeting Professionals Need to Manage Risk?

- **Professionalism**
- **Ethical Imperative**
- **Legal Duty**
 - Duty of Reasonable Care
 - Foreseeability
 - Due Diligence
 - Negligent Failure to Plan

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Why Do You Need to Know About Risk Management?

Harris Interactive traveler's poll:

- 94% said "safety" is an important factor when selecting a hotel
- 96% of women ranked safety as their most important factor when selecting a hotel
- 78% would pay up to 10% more for a hotel that had a safety certification

© SafePlace Corporation (2003)

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Are we Prepared?

- 40% of planners say they never (or only sometimes) take security precautions other than checking badges
- Americans scored 3.3 on a 10-point readiness scale

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What You Will Do in "Risk Teams"

Scenarios & Worksheet

1. What may be impacted?
2. How will you decrease probability or lessen impact?
3. How can the repercussions of this crisis be minimized?

Impacts

Human

- Injury, death, illness

Business

- Financial, information, can your business go on?

Property

- Equipment, buildings

FEMA 141

Impacts

- Human
- Business
- Property
- Legal
- Information
- Intangible

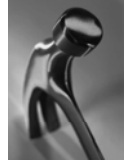
10 Risk Management Tools

1. Crisis Plan
2. Staff Training
3. Equipment and supplies
4. Careful choices
5. Event documentation



Risk Management Tools

6. Contracts
7. Insurance
8. Using experts
9. Pre-event communications
10. Post-event communications



Review Your Scenarios

1. What may be impacted?
2. How will you decrease probability or lessen impact?
3. How can the repercussions of this crisis be minimized?

Scenario 1

Hotel Oz

- What is at risk if this scenario occurs?
- How can you plan and prepare for this?

Tornado Tulsa Hotel

- Radisson Inn Tulsa – Airport
- Tore the roof off of a whole wing of the hotel
- No tornado warning
- 200 guests relocated

1. Crisis Management Plan

No one-size-fits-all plan

Sample Table of Contents on materials



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Crisis Management Plan Table of Contents

- Executive Summary
- Introduction and Policy Statement
- Meeting/Event Summary
- Staff Roles

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Crisis Management Plan Table of Contents

- Emergency Response Procedures
 - Natural Disaster
 - Human-Caused Occurrences

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Crisis Management Plan Table of Contents

- Facility map
- Communication List
- Appendix
 - Forms
 - Other

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10. Post-event Communications

- Media
- Employees
- Families
- Shareholders
- Members



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Scenario 2

Hotel Altruism

- What is at risk if this scenario occurs?
- How can you plan and prepare for this?

Church Pays \$17M

- Volunteer ran a red light and injured another driver
- Legal question – was she volunteering for the church?
 - Church said “no”
 - Court said “yes”
- \$17 million dollar judgment against church

Volunteer Protection Act

- Only applies to nonprofit 501(c)(3) organizations
- Acting within the scope of their responsibilities
- Ordinary negligence

Exceptions

- Operation of a motor vehicle
- Something outside volunteer description
- Failure to have license or certificate required
- Willful, criminal or reckless misconduct or gross negligence

State Requirements

- Risk management procedures, including mandatory training
- *Respondeat superior* – organization responsible for volunteer actions like employees
- Organization insured for acts by volunteers

5. Event Documentation

Waivers of liability

- Participant assumes the inherent risk of the activity
- Must be specific enough that the attendee understands the risk

7. Insurance

- **Commercial General Liability (CGL)**
 - Does your CGL cover you “temporarily off business premises?”
 - Are there exclusions?
 - Coverage limits - \$2M/\$4M
 - Sometimes tied to contract indemnification clause
- **Worker’s compensation**

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Scenario 3

Hotel Arteri

- What is at risk if this scenario occurs?
- How can you plan and prepare for this?

2. Staff Training

- CPR
- AED
- First Aid



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Staff Drills

- Tabletop Exercises
- Drills
- Disaster Experience
- Case Studies



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Good Samaritan Act

- No compensation or expectation of compensation
- Rendering emergency care or transporting for emergency medical care
- No liability for civil damages
- Exception: gross negligence or willful or wanton misconduct

Cardiac Arrest Survival Act

“...any person who uses or attempts to use an automated external defibrillator device on a victim of a perceived medical emergency is immune from civil liability for any harm resulting from the use or attempted use of such device ...”

I'm Not Getting Involved

What if you decide it just isn't worth the liability risk and you decide to do nothing?



Bad Samaritan Acts

Duty to Rescue Laws

- Liability for failure to render aid
- May apply to:
 - People to whom the danger is evident
 - Witnesses
 - Everyone informed of the danger

Duty to Rescue

Always applies when there is a legal “special relationship:”

- Innkeeper and guest
- Parent and child
- Employer and employee
- Airline and passenger

Meeting organizer and attendee??

4. Careful Choices

- Site inspection risk management questions
- Check permits, licenses, references
- Other?

Case Study - Facility Choice

McCormick Place

- Certified “CardioReady”
- 62 AEDs
- 250 people trained on AEDs and CPR



<http://www.cardioready.com/>

Scenario 4

Hotel Yummy

- What is at risk if this scenario occurs?
- How can you plan and prepare for this?

Food Poisoning KC

- Kansas City Marriott
- 300-person conference
- 50 came down with food-borne illness
- At least one hospitalized

6. Contracts Indemnification

Protects you if someone tries to hold you responsible for an injury or damage that occurred due to someone else's actions or omissions.

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6. Contracts Indemnification

- Outside caterer indemnifies Group
- Group indemnifies Hotel
- Hotel indemnifies Group

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6. Contracts Deterioration of Services

Allows the contract to be terminated without liability by the Group if the hotel or vendor quality deteriorates between the time of signing and x days out from the meeting dates.

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8. Using Experts

- Plan development
- Staff training & drills
- On-site medical
- Security
 - Is there sufficient security?
 - Are they appropriately trained?



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Woman dies in Philadelphia

- Philadelphia Hilton
- Mortgage company convention
- 45-year-old woman died
- 7 others hospitalized
- 30 others were assessed, 6 were given antibiotics

Scenario 5

Hotel West

- What is at risk if this scenario occurs?
- How can you plan and prepare for this?

Bombing Jordan hotels

- Grand Hyatt, Radisson, Days Inn
- 57 people killed
- 300 injured



Bombing Jordan hotels

- September 2007
- Widow of bombing victim sues Global Hyatt Corporation
 - Forseeable criminal acts of terrorists
 - Security inadequate

3. Equipment & Supplies



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www.americanredcross.org



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9. Pre-event Communications

- Emergency numbers for facility, destination
- Request information about special needs
- ICE – cell phones and badges
- Speaker packet - announce emergency exits

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Be Safe.

Thank you.



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