

MARSH INSIGHTS: EVENT RISK MANAGEMENT

From corporate sales conferences to holiday parties, from educational seminars to fundraising activities, most events require extensive planning to effectively manage risk. Organizing events can lead to a number of uncertainties — and uncertainties can quickly result in harm to people, property, and reputation.

According to The Insurance Bureau of Canada (Bureau), the risks associated with special events can include:¹

- The risk of an employee, volunteer, participant or persons becoming injured.
- The risk of damaging the organization's reputation if situations are not handled well.
- The risk of financial challenges from unforeseen circumstances, such as inclement weather.

Not-for-profit organizations rely heavily on special events for fundraising. As such, it is important to note that the event organizers are responsible for the safety of event attendees — and that short-term liability coverage exists to protect organizers — even when the event is a small one.

It should also be noted that extra precaution should be taken:²

- If children or minors attend.
- If hazardous activities are involved.
- If gambling takes place.
- If large crowds are anticipated.
- If alcohol will be served.

Event organizers should focus on developing a customized event risk solution, as appropriate planning will demonstrate

^{1,2} Insurance Bureau of Canada. "Special Events"; available at http://www.ibc.ca/en/business_insurance/risk_management/special_events.asp, accessed February 4 2013.

accountability and due diligence when hosting an event. The approach should be comprehensive and flexible, a scalable framework that can be applied to a variety of events and activities.

THE EVENT RISK MANAGEMENT PROCESS

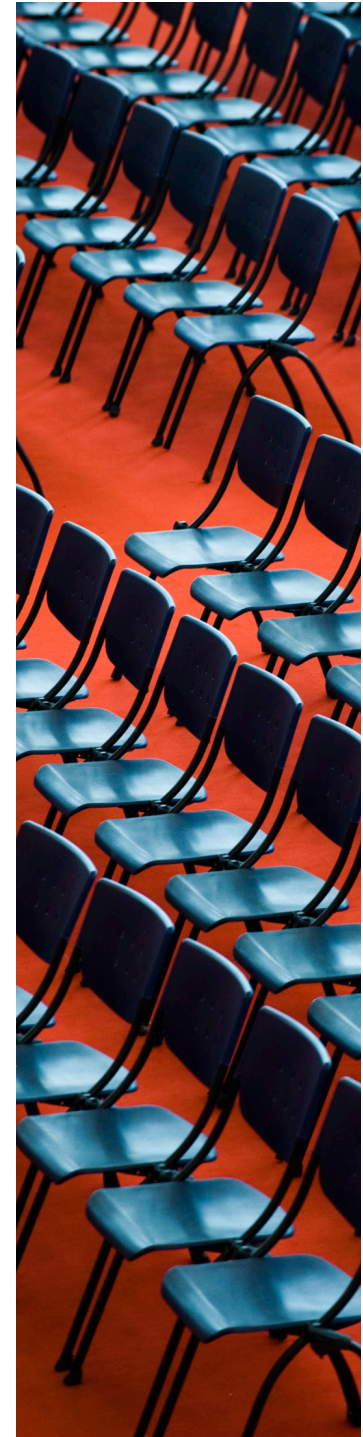
As part of any successful event planning process, hazards should be identified and risks assessed and controlled to minimize the potential for injury or harm to persons or property.

Key components to a formalized event risk management framework include:

- Formal process to event management — from inception to close.
- Policy and procedures outlining the "dos and don'ts" of planning an event (this may include a checklist or an outline of a series of steps which must take place before the event can take place).
- Decision makers to assist in facilitating the process and field inquiries.
- Commitment from management to support process.

An effective event risk management process can yield significant benefits, such as:

- Reduced uncertainties associated with events.
- Greater transparency to all stakeholders.



- Better communication and coordination between stakeholders.
- Better preparation for possible adverse events.
- Process continuity.
- Decreased cost of risk (e.g., financial, health and safety, insurance).
- Meeting of all contractual, legal, and insurance requirements.
- Adequate protection of the brand from significant risk exposures and reputational damage.

GENERAL TIPS

- If the event is to be held outdoors, consider extreme weather. For example, prolonged exposure to heat can lead to heat stroke, dehydration, and in extreme cases fatality. It is important to have a contingency plan, however it is also imperative to also assess the risks of the new location.
- If serving food, be sure to take the appropriate steps to mitigate injury or liability. Risks may include: allergic reactions, food poisoning, injury from burns. Risk may also exist from food borne pathogens and improper food handling.
- If the event will be held at an unfamiliar offsite location, make certain the proper steps are taken to ensure participants are safe (evaluate unique risks).
- If travel is required, ensure that the proper steps are taken to ensure participants are transported safely to and from the event. Review insurance requirements, contingency plans, etc.
- If alcohol will be served, take extra precaution to safeguard the organization and keep participants safe. Review permits, train servers, comply with legislation, etc.

OTHER RISK CONTROL STRATEGIES

Checklists — A checklist can serve as an assessment aid in making key decisions in hosting an event. This will help the organization adequately prepare and understand associated risks and make informed risk management and event decisions.

Waivers and/or Informed Consent — A well-developed waiver can help an organization defend against legal action and liability. The waivers should be in compliance with the organization's legal requirements and include the input of in-house legal counsel.

Event Risk Committee — A committee can assist with the identification of risks and develop a streamlined approach to event management and safety in compliance with bylaws, rules, and regulations. This committee can also ensure that these events are consistent and align with the organization's values and objectives.

MRC SERVICES

With a comprehensive list of services and industry experts, Marsh Risk Consulting (MRC) can help clients manage their (event) risk exposures through the use of best practice guidelines and framework development.

Our collaborative approach leverages a combination of knowledge, internal processes and infrastructure already in place. This may include, but is not limited to:

- Event Risk Assessment and Framework Development.
- Training and Education Programs.
- Exposure Review.
- Risk Management Policies and Guidelines (checklists, context development, etc.).

Our approach enables you to consistently and objectively identify event-specific risk issues, evaluate risk management alternatives and effectively plan events with minimal uncertainty. Our innovative solutions, integrated services, and strategic thinking mean that we understand there is no "one size fits all" solution.

For more information, please contact your local Marsh representative or visit www.marsh.ca.

Marsh is one of the Marsh & McLennan Companies, together with Guy Carpenter, Mercer, and Oliver Wyman.

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