

Risk Management 360 Degrees Applicability in Port Operations

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PORT **CORPUS CHRISTI**

Topics To Be Covered

- What is Risk Management?
- Five Step Process
- Identifying Exposures to Loss
- Alternative RM Techniques
- Real World Issues At Your Terminal(s)
- Summary

Risk Management

- Definition of Risk Management

“Risk management is the process of making and carrying out decisions that will minimize the adverse effects of accidental losses upon an organization. Making these decisions is a five-step decision process.

Five Step Process

- Identify and Analyze Loss Exposures.
- Examine Alternative Risk Management Techniques.
- Select Risk Management Technique(s)
- Implement Technique(s)
- Monitor Results

Identifying Exposures To Loss

Types of Exposures

- Property
- Net Income
- Liability
- Personnel
- Network Data

Alternative RM Techniques

Risk Control

Risk Control includes those risk management techniques designed to minimize the frequency or severity of accidental losses or to make losses more predictable. Risk Control techniques are; exposure avoidance, loss Prevention, loss reduction, segregation of loss exposures, and contractual transfer of risk.

Exposure Avoidance

Eliminates entirely any possibility of loss. It is achieved either by abandoning or never undertaking an activity or asset.

Loss Prevention

Aims to reduce the frequency or the likelihood of a particular loss.

Example:

Require the use of a dolly to move heavy objects in order to reduce back injuries.

Loss Reduction

Aims to lower the severity of a particular loss.

Example:

Establish an equipment PM program to reduce the frequency of equipment breakdowns which require the need to rent equipment. The loss would be to net income.

Segregation of Loss Exposures

Involves arranging an organization's activities and resources so that no single event can cause simultaneous losses to all of them.

Example:

Taking computer back up disks/tapes to a separate facility so a fire does not destroy.

Contractual Transfer of Risk

A transfer of legal and financial responsibility for a loss.

Example:

Requiring a Stevedore to maintain liability insurance and naming the port/terminal as additional insured. Indemnity agreement.

Real World Issues

- Employee Safety
 - Training
 - PPE
- Invitee Safety
- Premise Defects
- Maintenance of Equipment (PM)
- Terminal Traffic Safety

Summary

- Utilization and implementation of the Risk Management Process at your port or terminal(s) will minimize the adverse effects of accidental losses at your port.