Units 8

Risk Management and Assessment
Risk Management Model

- Risk Identification
- Risk Evaluation
- Risk Treatment
- Selection and Implementation
- Program Monitoring
Risk Identification - Types of Risks

- Property damage/loss/theft
- Loss of income/business interruption
- Human resources
  - Employee injury and illness
  - Key employee
- Legal liability
  - Tort & other judgments
  - Defense costs
  - Regulatory
Risk Evaluation

- Low-Severity, Low-Frequency, retain
- High-Severity, Low-Frequency, transfer
- Low-Severity, High-Frequency, retain
- High-Severity, High-Frequency, avoid or transfer
Risk Treatment (Control)

- Contingency planning
- Compliance
- Incident reporting
- Risk financing
  - Retention
  - Transfer
Selection and Implementation

• Selection and implementation of specific control and financing techniques or each risk
Program Monitoring

- Performance standards
- Measure actual practices against standards
- Take corrective action
EPA Risk Assessment

- http://www.epa.gov/ceppo/
- http://www.epa.gov/oppe/