

## **Marin Emergency Radio Authority**

### **Risk Management Policy and Procedures**

Purpose: To identify potential events or activities that may affect MERA's operations and minimize risks to MERA's services and property for continuity of operations.

Policy: MERA will develop and maintain a comprehensive risk management program that identifies, reduces or minimizes risks to its operations and property. The primary goal of the program is to contain the costs and consequences of harmful or damaging incidents arising from those risks. Adequate and timely compensation for restoration and recovery is a parallel goal. Key components of the program are risk identification, risk evaluation, measures to treat risks, implementation and financing of risk management and periodic program review.

Procedures:

1. Risk identification is an activity intended to understand the sources, types and likelihood of risk. Risk identification should identify, at minimum, the exposures in the following areas:
  - Physical environment (natural or man-made disasters and infrastructure)
  - Operational environment (day-to-day activities and actions including services provided)
  - Legal environment (laws and legal precedents)
  - Political environment
  - Social environment (attitude and composition of the communities served)
  - Economic environment (availability of fiscal resources)
  - Internal environment (attitude of individuals toward risk)
2. Risk evaluation requires monitoring the frequency and severity of claims and making modifications as necessary. Risk evaluation reports should include the number of open claims, amounts paid out and amounts reserved to reveal a risk profile for use by staff, Executive Committee and Board.

3. Risk treatment occurs after risk identification and evaluation. Risk responses include avoidance, acceptance, reduction, sharing and transfer. The Risk Management Program combines preventive and control measures, risk transfer and risk retention.
  - Loss prevention and control—inspections and training are key control measures.
  - Risk transfer—financial and contractual risk transfer are key measures.
    - a) Financial risk transfer involves use of an insurance company or risk management pool. Criteria for procuring insurance include quality and scope of service, breadth of coverage (limits and deductibles), company financial stability and cost (premiums). Basic coverages to be maintained are property, liability and business interruption insurance.
    - b) Risk transfer involves the assignment of risk to a contractor providing services, products or performing projects.
  - Risk avoidance involves decisions to not provide certain services or engage in certain activities if risk management costs are excessive.
4. Risk management implementation considers MERA's goals, identifies who will carry out the risk management program and provides guidelines for making decisions about risk control and finance.
5. Risk program review requires periodic assessment of the effectiveness, efficiency and cost of the risk management program followed by changes or modifications as necessary.