

# A Risk Management Program

## Deciding to Manage the Risk

Staff, and members of the congregation, can often be relied on to keep the place tidy and well maintained. Yet, by having a clearly defined program in place, you make it easier for them to spot potential hazards earlier, which helps reduce the chance of accidents happening.

It's also worth noting that litigation against Churches for injuries and abuse has become common.

Even if a claim is unjust, the cost of defending it can be massive. Having a well-documented program in place makes defending the claim easier.

## Backing of ministers and senior Church leaders

*Involve the Church's ministers, senior administrators and elders. Their endorsement and backing makes it easier to establish a risk management program.*

It helps ensure all the good work they have done is not undone. (If the Church has to meet the cost of a claim for an uninsured risk, it will certainly hamper current work and may even lead to the closure of the Church.)

## Risk Management Programming

### Getting started

First things first.

- Appoint a person to oversee the implementation of a risk management program.
- In small Churches, the program may be relatively simple.
- One person, with some clerical support, may be enough to run the entire program.
- In a large Church it might involve a small team of people. You could even consider establishing a Risk Management Ministry.

### Who should be involved?

**Success is in the details.** Someone with administrative, clerical and/or management skills would be an ideal first choice.

The amount of detail required in the program will depend on the size of the Church and the degree of risk that exists. If your Church has a member with experience in risk management, health and safety in employment or a related field, they should be asked to assist in setting up your program.

### Steps to develop a risk management program

The simplest way is to follow these nine steps.

1. Have your Church's minister and administrator read this kit. Seek their support in addressing risk management at your Church.
2. Decide who is to be responsible for establishing your program.
3. Appoint a responsible person, ministry or committee to establish the program.
4. Have the people responsible read this kit carefully.
5. Determine which of the sections of the kit are relevant and need to be addressed.
6. Establish a simple action plan based on the issues identified as requiring attention. The plan will include the names of people responsible for dealing with specific issues with target dates and completion dates. As a guide to the format, see the [Risk Management Action Plan Blank \(Attachment L\)](#).
7. Involve other people where necessary. Choose people who are impacted by the program.
8. Seek additional information in specialist areas where needed. Consult with the WorkCover Authority in your state or WorkSafe. Contact details appear in the [WorkCover Authorities Location Register \(Attachment W\)](#).
9. Contact Ansvr Insurance if you have any queries about implementing your plan.

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# About Ansvar Insurance

Ansvar Insurance is regarded as one of Australia's leading insurers of faith organisations, educational institutions, community service organisations, care facilities and heritage buildings. We also offer a range of personal insurance products for individuals and families, protecting homes, their contents, cars and boats.

From small beginnings in 1961, we now insure over 9,000 places of worship, 500 schools, 850 charities and 1,900 care facilities across Australia as well as thousands of homes, contents and vehicles for individuals and families across Australia. From specialist products, risk management strategies and superior claims management we are here to make insurance easy to understand and accessible.

We are proud to offer an ethical and outstanding range of services, wrapped up with a social conscience garnered from nearly 50 years experience in Australia.

## Risk Management at Ansvar Insurance

We have a long association with places of worship. This has given us a thorough understanding of the specific risks you may face. We understand what can go wrong, and we know what steps can be taken to protect you against those things.

But, there's more to insurance than just paying claims.

We believe a little prevention is worth a lot of cure.

By helping you identify and manage those risks – the chance of mischance is reduced, and, as a result, so are your premiums.

We also have a highly experienced risk services team. They can help you identify potential risks and devise programs to assist you to remove or reduce them.

## Insurance and risk management – two sides of the same coin

Insurance is there to help people recover when things go wrong. It should help people get on with life as swiftly and as smoothly as possible. At Ansvar Insurance, we do all we can to put things right as quickly as possible. However, insurance can only do so much to ease the financial, physical and emotional disruption that follows any incident.

Which is why we like to take an even more active role in preventing loss and disruption. It's about helping you make sure things don't go wrong in the first place.

## This document could help

This kit includes risk management and insurance information designed specifically for Churches. It helps you understand how to protect your most valuable assets; your people and your property.

## Ansvar Insurance and Churches

We recognise the specific risk issues faced by Churches every day. From heritage-listed Churches to innovative youth ministries, we understand reinstatement issues, security risks, fire protection, and providing safe Church environments.

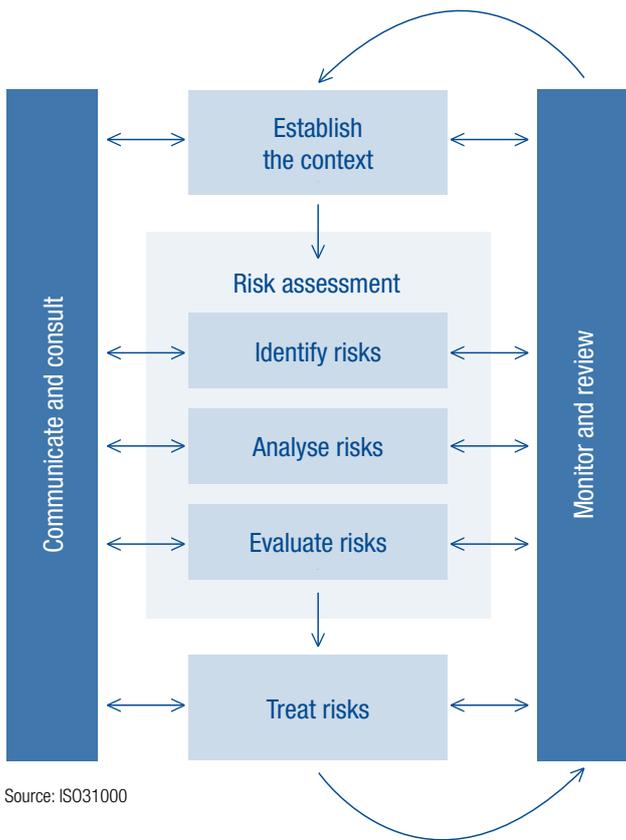
We risk survey around 4,000 places of worship globally each year.

We then take what we learn from those surveys, and use that knowledge to help our customers.

Our customer risk services team use Australian and International risk management standards as a guide when developing our risk publications, ongoing advice and on-site risk surveys.

Some specific instances will need more attention. Our customer risk services team can develop training workshops to meet the needs of individual customers. These can be private consultation, or used as a presentation at conferences and seminars.

We also conduct on-site risk surveys. This involves a simple pre-survey interview and a physical site inspection to help identify the risks you may face. We then issue a report to help manage those risks. This can also include valuations of all insured buildings on site.



### The Ansvar Insurance approach

Our customer risk services team has adopted the following AS/NZS ISO 31000:2009 process to assist with the identification, assessment and subsequent management of risk. This establishes the risk context from a strategic, organisational and risk management point of view.

- Using a series of customised tools, we identify potential risks – determining what can happen and how it will happen.
- We conduct on-site surveys to determine the likelihood and potential severity of risk occurrences.
- We evaluate those risks by comparing them to established criteria and determining priority.
- We then make practical recommendations to either tolerate, treat, terminate or transfer the risk. Once implemented, those plans and recommendations should be periodically monitored and reviewed.

### Our claims service

Ansvar Insurance is proud of our reputation for settling claims. We know making a claim can be stressful. So, we provide support at every stage of the claims process.

Over the years we have developed an effective, efficient process. Our aim is to quickly, and compassionately, provide a solution.

- We establish the situation and identify the issues and the customer needs.
- We examine the issue/problem behind the claim and determine what needs to be done to rectify this.
- We provide solutions addressing the customers needs and develop an implementation plan.
- And we carry out the agreed solution, then we conduct regular monitoring and reviews.

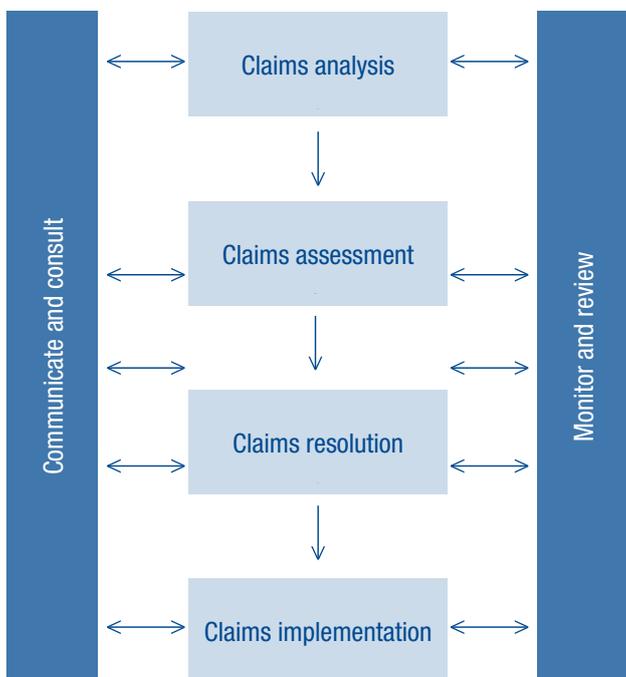
We understand the needs of faith organisations in Australia.

This expertise means we can deliver exceptional claims service.

We do this by:

- Setting excellent customer service standards. We treat all customers fairly and exceed regulatory minimum service standards in all regions;
- Using qualified service providers – professionals who understand faith customers and;
- Constantly improving our performance – which is why we'll ask for feedback at the conclusion of the claim.

Our local knowledge is enhanced with expertise from our international parent, Ecclesiastical Insurance. Each year, we manage over 9,000 faith related claims, from the restoration of historic bells to the replacement of stereo equipment.



# What is risk management?

We believe that risk management is about taking reasonable steps to protect people and property from harm. It can save lives. It can save property and it can save you money.

International Standard AS/NZS ISO31000: 2009 defines risk management as “the systematic process of identifying, analysing, treating and monitoring risks associated with any activity, function or process in a way that will enable an organisation to minimise losses and maximise its opportunity.”

## The need for effective risk management in Churches

For Churches, risk management provides peace of mind.

This kit explains the importance of risk management to the Church in modern society. It will, hopefully, help you understand how you can fulfil your mission, without unnecessarily risking physical property, and the lives of the people who are part of that mission.

By undertaking a risk management program you can provide documented evidence that you have considered the risks and taken steps to reduce them. This not only provides peace of mind – should anything unfortunate happen, it gives you hard evidence with which to defend possible claims.

At Ansvar Insurance we use our expertise and experience to ensure the best possible risk management techniques are used to protect both the Church’s property and its people.

Usually, the more steps you take to reduce the chance of damage or accident, the less your premium can be.

The total estimated economic cost of work-related injuries and illnesses for the 2005-06 financial year was **\$57.5 billion**.\*

**453 work related traumatic injury fatalities** during 2006-07.

**Every 2-3 minutes** someone in Australia is injured seriously enough to lodge a workers compensation claim.

**132,055 serious workers’ compensation claims** in 2006-07, which equates to 14 claims per 1,000 employees or 9 claims per million hours worked.\*\*\*

The long-term cost saving and peace of mind of effective risk management can be invaluable to a Church.

\* The Cost of Work-related Injury and Illness for Australian Employers, Workers and the Community 2005-06 National Occupational Health and Safety Commission (NOHSC)

\* Work-related traumatic injury fatalities, Australia 2006-07

\*\*\* Compendium of workers’ compensation statistics australia 2006-07

## Management of Risks versus Insuring Risks

### What is risk?

In simple terms, risk is the chance of something happening.

Managing risk provides an opportunity to prevent damage or injury. It can save money and preserve resources that can be used in more productive ways.

Ansvar Insurance believes it is far better to prevent incidents, accidents and injuries than to deal with their consequences.

### Major risk issues for Churches

1. Fire damage
2. Storm and water damage
3. Malicious damage/vandalism/theft
4. Volunteer workforce
  - Inadequate screening/training of staff
  - Lack of documented procedures
  - Unskilled staff attempting tasks beyond their capability
5. Personal injury litigation
6. Reputation damage
7. Under insurance
8. Child protection

### Insuring risk

No matter how carefully risks are managed, accidents and damage can still occur.

It is therefore wise to insure against unexpected incidents and accidents that may result in hardship to individuals or damage to the Church.

### Which is the better option?

We believe the best option is to manage risks to reduce the likelihood of incidents and accidents occurring.

Because it is impossible to anticipate everything, Churches should use insurance to minimise the impact on the organisation if any mischance does occur. It’s worth noting that proper risk management can reduce the cost of insuring against those risks.

Doing both – having insurance and managing the risks – saves time, energy, suffering, disruption and additional costs to the Church and its people.