

RISK AND



Image Credit: Madison College

REWARD



Effective risk management can improve safety and save money

BY DENNIS PIERCE

When Steven Stoeger-Moore was the risk manager at Milwaukee Area Technical College (MATC), part of his daily routine was to walk around the college's four campuses to see where potential hazards lay.

One day, he might visit the parking lots to observe traffic patterns. Was there clear signage to help visitors navigate their way safely? Were the lots well paved, or were there potholes or frost heaves that required attention? Another day, he might stroll through the athletic facilities to make sure there was proper supervision, equipment was in good working condition and weightlifters were using spotters.

"There is an old saying that the best supervision takes place where the work is being done," says Stoeger-Moore, who is now president of Districts Mutual Insurance and Risk Management Services (DMI). "Similarly, the best risk management takes place where activity is occurring."

A risk manager's job is to assess what could go wrong on campus, how likely this is to happen, and what the consequences would be—and then take action to protect the college, its people, and its assets. These steps might include introducing new policies and procedures, training stakeholders, instilling a culture of safety, and making sure the college has sufficient insurance to guard against liability.

Assessing and managing risk plays a vital role on community college campuses. While some accidents or injuries may be unavoidable, regardless of how safety-conscious an



“The philosophy of risk management as everyone’s responsibility has to start from the top.”

STEVEN STOEGER-MOORE, *president, Districts Mutual Insurance*

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Madison College makes sure sidewalks are clear of ice and snow to prevent injuries.

institution is, effective risk management can limit unfortunate incidents to a minimum.

On the other hand, failure to implement sound risk management practices could be costly. Every dollar spent on liability claims, property damage and high insurance premiums is money diverted from supporting the core mission of teaching and learning. And the human toll of injuries to staff or students can be devastating.

ASSESSING RISK

Accurately assessing risk requires knowing one’s institution inside and out. “Each college environment is unique and carries its own types of risks,” says William Kerwin, who has directed risk management programs for community colleges and high schools in California.

For instance, community colleges with athletic programs have certain risks that others don’t, requiring concussion management protocols and other precautions against sports-related injuries. Colleges that have dual-enrollment agreements with local high schools are likely to have minors on campus, and they should take specific measures to protect this student population—such as making sure employees have undergone extensive background checks.

Because budgets are limited and resources are often constrained, careful risk assessment is essential. Knowing the risks that are most likely to occur can help colleges get the most out of their investment in risk prevention.

“Risk management might only account for 1 to 3 percent of a community college’s operating expenses, but it must be responsible for protecting 100 percent of assets,” says John McLaughlin, managing director of higher education practice for Arthur J. Gallagher Risk Management Services. “Spend wisely, and understand what you’re trying to accomplish.”

Risk managers have many resources to help them accurately gauge the risks to their college. These include city and county threat assessment and natural hazard mitigation plans, as well as insurance claims data from their own college and for similar institutions.

“Slips, trips and falls consistently rank as the No. 1 area of claims for Wisconsin colleges,” Stoeger-Moore says. “This isn’t surprising, given the nature of Wisconsin winters.” Armed with this information, campus leaders in the state can be proactive by making sure roads and walkways are kept well plowed and salted—and loose carpeting and stair rails are promptly repaired.

“Look at what the loss drivers are, and then come up with mitigation plans to help solve these problems,” he recommends.

BE PREPARED

One of the core aspects of risk management is preparing effectively for emergencies.

“Often, community colleges lean heavily on local first responders for assistance—especially during



the initial phase of response,” says Curtis Liska, who directed security and crisis management for the Kentucky Community and Technical College System before joining Wright State University a few years ago. “So, the first step in making sure you’re prepared is building close relationships with first response agencies.”

Holding regular training exercises helps ensure that everyone on campus knows their role and is prepared to respond during an emergency.

“Training doesn’t always have to be a full-blown exercise with an after-action report. Sometimes, just sitting down and talking through real-world examples can be beneficial,” Liska says. “Take time at the end of emergency preparedness meetings to pull real-world examples that have occurred at other colleges and say, ‘If this happened here, how would we respond?’”

While most colleges focus on active shooter drills and responding to natural disasters, leaders shouldn’t overlook the lower profile risks that are more likely to occur on their campuses, Liska says—such as aggravated or sexual assault, as well as mishandling of materials used in teaching or other mishaps.

This is why training should go well beyond emergency drills. For instance, community colleges should include mandatory safety training in all classes where students are working with materials that could be considered dangerous.

Requiring students and staff to undergo extensive safety training can save colleges significant money on



When near heavy equipment, safety goggles are a must at Milwaukee Area Technical College for students, faculty and visitors.

insurance premiums, as Coast Community College District in California has found (see sidebar).

TOTAL TEAM EFFORT

Stoeger-Moore is fond of saying that everyone on campus is a risk manager, not just the person who holds this title. It takes a total team effort to reduce risks and create a culture of safety.

On one of his walk-arounds at MATC several years ago, he visited a sheet metal lab in which the instructor had his safety goggles resting on top of his head. “I pulled the instructor aside and told him privately: ‘You are setting the wrong example for your students,’” he recalls. “I made it a point to return a few days later, and the instructor and every student was wearing safety glasses.”

Cutting costs through better risk management

Risk management is an investment that can pay big dividends if done well. For instance, by banding together and forming their own insurance company, the 16 colleges in the Wisconsin Technical College System have saved more than \$16 million in insurance premiums over the last 15 years.

"In the early 2000s, a number of conditions existed that made it hard to have private insurance," says Steven Stoeger-Moore, former risk manager at Milwaukee Area Technical College (MATC). The colleges were facing double-digit rate increases, growing deductibles, and fewer options for private insurance.

Forming a consortium to increase their buying power helped, but not enough. After an actuarial study, the colleges decided to form their own fully licensed municipal insurance company, Districts Mutual Insurance (DMI)—and Stoeger-Moore left MATC to become its president.

DMI underwrites the insurance policies for each of the 16 colleges individually, based on each college's own risk data. It also offers risk management services for the colleges, including training and risk assessment templates.

DMI recently worked with an accounting firm and an actuary to calculate how much money the colleges have saved in insurance premiums since creating their own market. Collectively, they have saved an estimated \$16.5 million, the study revealed. "That's a significant figure, especially when we realize these are public dollars," Stoeger-Moore says.

In California, Coast Community College District has saved hundreds of thousands of dollars a year in premiums by encouraging employees to take online safety courses, says the former risk management director for the college, William Kerwin.

Coast and the other 45 California community college districts that make up the Statewide Association of Community Colleges formed an insurance pool to increase their buying power. Together with Keenan & Associates, the insurance firm that manages the pool, they developed an online platform with more than 100 safety-related courses for college employees and students.

Called SafeColleges, the platform offers training and compliance courses covering topics such as basic first aid, blood-borne pathogens, Title IX compliance, sexual harassment in the workplace, and conflict resolution. By encouraging employees to take courses relevant to their roles, Coast has significantly reduced its insurance claims—and therefore its premiums.

"The program helped us to drive our loss ratios for property and liability down each year, to where Coast was among the lowest in loss experience within the state," Kerwin says. "We were very proud of that. Coast's loss experience was about six-tenths that of the pool average. So if the average member of our pool paid \$1 million for property and liability insurance, the premium for our district would be \$600,000 for the same plan."

HAZARD HAZ

Building strong relationships with department heads and supervisors is important, Kerwin says, because it will make them more responsive to feedback on how to reduce risk. But effective communication is a two-way street.

"You have to be receptive to input from others," he says. "Ask other people for their ideas, because local department heads may have helpful insights. You build trust by doing this over time. Eventually, people will call you with their ideas before you even reach out to them."

Risk managers also need the support of their college president and board of directors. "The philosophy of risk management as everyone's responsibility has to start from the top," Stoeger-Moore observes. "Without the support of everyone on campus, you're not going to be successful."

With so many competing priorities, it can be hard to get leaders to focus on the need to be proactive—especially if there have not been any large claims or accidents on campus.

Liska pays attention to developments occurring at other colleges across the country, and he uses these to help build awareness at his own institution. "It's unfortunate, but when these types of incidents occur, people pay more attention," he says. "While you have their attention, it's a good time to reiterate what you're doing to reduce risk and why that's important."

Finding ways to connect risk management to the college's core mission also is helpful. "When you promote safety, you're preserving capital that can be used in the classroom," Kerwin notes. "If you make that clear, then people generally come on board."

Reducing risk helps protect the college's reputation as well. "Reducing reputational risk is a fundamental part of risk management," says McLaughlin.

FINDING WAYS TO SAY YES

Stoeger-Moore believes one of the key aspects of a risk manager's job is finding ways to say "yes" to new opportunities—but in a manner that "protects the financial integrity of the college and the safety of participants."

For example, as the use of drones is becoming ubiquitous in many industries, a number of community colleges are beginning to incorporate drones into instruction, so students have access to the latest technologies used in their field of study.

But there are several ramifications to using drones. Because they fly in the national airspace, the Federal Aviation Administration controls

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Northeast Wisconsin Technical College recently opened a new College of Business featuring expanded programming and advanced technology, including drone technology. The drones used during the ceremony were handheld rather than flown because the day's high winds could have caused safety and liability issues.



LEFT: DMI hosted a workshop for risk managers from Wisconsin's technical colleges.



RIGHT: Northcentral Technical College's Disaster Response Team received the 2018 Risk Impact Award.

their use—and proper licensure, certification and registration with the FAA is required.

A few years ago, risk managers at Wisconsin technical colleges worked with their insurance provider, DMI, to develop guidelines and a first-of-its-kind insurance policy that would give students the opportunity to learn how to use drones in a safe and well-regulated environment, while protecting institutions from liability.

“DMI was on the cutting edge of providing proper insurance coverage for the use of drones in the curriculum,” says Stoeger-Moore. “We came up with some very specific guidelines for the colleges to follow. For example, use of a drone must be directly related to curriculum and instruction. All FAA rules and regulations must be followed.

Proper registration with the FAA is required, as is proper certification by instructors.”

Stoeger-Moore likens a drone instructor to someone who is teaching truck driving. “You don’t teach this skill unless you have a commercial driver’s license, and you shouldn’t be teaching about drones unless you have a proper pilot certification from the FAA,” he says.

The collaboration between Wisconsin’s technical colleges and DMI over the use of drones for instruction is a good example of how best practices in risk management “can help protect the college, instructors, and students when moving forward with new initiatives,” he concludes. ■

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