

Chapter 7 Outline

The Risk Management Process
 Identification of Risk
 Assessment of Potential Losses
 Selection of Proper Risk Management Instruments
 Studying the Plan and Implementing Decisions

Contributions of Risk Management to a Business
 Pre-Loss and Post-Loss Contributions
 Direct and Indirect Contributions

Insurance
 Insurance Purchase
 Industry Regulation

Commercial Package Policy
 Commercial Property Coverage
 Commercial Crime Coverage
 Boiler and Machinery Coverage
 Inland Marine Coverage
 Commercial General Liability Coverage
 Commercial Automotive Coverage

Additional Types of Coverage
 Flood Coverage
 Umbrella Coverage
 Legally Mandated Coverage

Claims Management
 Establishing a Safety Committee
 The Value of Communication
 The Roles of the Safety Committee
 Safety Committee Duties

Competencies

1. Define risk management and outline the steps in the risk management process. (pp. 329–334)
2. Identify the contributions of risk management to a business in terms of pre- and post-loss contributions, direct and indirect contributions, insurance, insurance purchase, and industry regulation. (pp. 334–339)
3. List and describe the types of coverage found in commercial package policies and in additional types of coverage available to lodging properties. (pp. 339–348)
4. Demonstrate the proper procedures used for managing claims. (pp. 348–350)
5. Describe the roles and duties of a safety committee. (pp. 350–353)