

# Risk Assessment

A thorough risk assessment is the foundation of all loss prevention, risk management, emergency management, and business continuity programs. Understanding the threats, hazards, and perils that can injure people, damage property, interrupt operations, contaminate the environment, or damage your image or reputation is essential to developing prevention, mitigation, and risk financing strategies. The risk assessment is also critical to defining scenarios for emergency response plans and potential business impacts for development of business continuity recovery strategies.

A risk assessment should answer questions including:

- What are possible threats and hazards?
- What are their probabilities of occurrence?
- What is at risk?
- How vulnerable are people, property, business operations, and your reputation?
- What are possible scenarios?
- What are the potential impacts?
- What is the impact on business operations?
- Do emergency response, business continuity, and crisis management plans address credible scenarios?
- What can be done to prevent the hazard or mitigate the risk?
- What regulations apply?
- What insurance or risk financing is in place to mitigate the financial impact of any losses?

Risk assessment begins with determining the scope of the assessment—do you want to assess your entire organization, a high valued or critical facility or process, or hazardous operations within a facility?

Our assessment methodology includes surveys, interviews, and research to determine the credible threats and hazards, vulnerabilities, and potential impacts. We consider over 100 potential hazards and threats that could threaten life, damage property, interrupt operations, contaminate the environment, or damage the image or reputation of your organization. We also attempt to estimate the probability of each scenario.

We assess the potential impacts of each scenario based on the potential magnitude of the hazard and the vulnerability of the facility, people and operations. Our reports include a prioritized list of recommendations that identify opportunities for hazard prevention and risk mitigation. We also include references to applicable regulations.

## Have you evaluated all hazards?

- Fire and explosion
- Workplace violence
- Hazardous materials spill or release
- Natural hazards (flooding, hurricane, tornado, and earthquake)
- Utility outages
- Entrapment
- Water leakage
- Hazards to your data center
- Loss of vital records and data
- Terrorism
- Pandemic influenza
- Transportation accidents
- Threats to your image and reputation

## Hazards Analysis

We live in a world with increasingly complex hazards—flammable and combustible liquids and gases, oxidizers, corrosives, and reactive materials. State of the art manufacturing processes involve sophisticated technologies and increasingly valuable equipment with little tolerance for downtime. Preparedness, LLC can assess the hazards of your operations, identify strategies to mitigate loss potential, and write detailed specifications for necessary protection.

## Natural Hazards

Hurricanes, tornados, and flooding have caused billions in damages across the United States over the past few years. Many areas of the United States are prone to catastrophic earthquakes.





Risk Assessment Process

Insurers have access to sophisticated models, so they understand the risk. Preparedness, LLC can help you evaluate your exposure to natural hazards and survey facilities to identify mitigation strategies. This will enable you to better understand your loss potential and take action to reduce the risk.

### Physical and Operational Security

The security of your employees, facilities, equipment, stock, vital records and data, information technology, and overall operations are threatened from outside and within. How secure is your facility? How vulnerable are the people as they enter, exit, and work inside the facility? Are occupants susceptible to violence in the workplace? Is the facility an attractive target for terrorist attack?



A detailed security and vulnerability assessment can assess the potential threats to people, the facility, and valuable assets and operations within

the facility. Using national standards for security and Preparedness, LLC's own research as published in *Business At Risk: How to Assess, Mitigate and Respond to Terrorist Threats*, we can assess your vulnerability to security threats and provide detailed recommendations for mitigating the exposure. We can also help develop security policies, procedures, and strategies for mitigating the exposure.

### Safety & Security Audit Guides

We also write safety and security audit guides customized for specific occupancies. Our audit guides address safety, property protection, security, and management programs that should be in place to maintain a safe and secure facility. We include regulations specific to the type and use of the facility and its jurisdiction. We conduct "train the trainer" audits so our clients can conduct future audits using the guide.

### About Preparedness, LLC

Preparedness, LLC provides consulting services to help clients assess hazard and operational risk; develop hazard prevention and risk mitigation programs; develop emergency response, business continuity, and recovery programs; and evaluate existing programs. Preparedness, LLC also provides support for insurance and risk management by developing property risk information and coordinating third party loss prevention services.

