

# practical solutions

## Risk Management Program Off to a Flying Start

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RMP, a program of CASE, is working with SEI and NCSEA to build momentum and support for a program designed to help Structural Engineering companies survive today's hostile and litigious marketplace. Education and awareness of tools and techniques for managing risk and preventing losses can improve the practice of Structural Engineering in this country, and divert energy spent on defending claims to providing more creative engineering projects for our communities.

The vision of RMP is... "to reduce the cost and frequency of claims against structural engineers." This can be accomplished when Structural Engineers are committed to making a change and in sharing RMP's mission... "to enhance risk management, loss prevention and claims management techniques of the structural engineering profession."

The centerpiece of the RMP program is the Convocation, a gathering of Structural Engineers, insurance industry and legal professionals in Reston, Virginia in early November. We will share experiences, and hear about trends and best practices for recognizing and addressing risk in our work. After a day and a half of focus on the liability issues we face today, we want to achieve consensus on the need to affect change in the Structural Engineering practice.

Your input at the Convocation will help define the programs and projects that will need our attention and development as resources, and the RMP Steering Committee has outlined many ideas for offerings that have proven valuable in helping our staff and management to become more loss prevention oriented. As initial offerings for the first year, we have selected an achievable plan of working on six projects:

1. Organize the RMP, programs, committees, budget, etc. This process is moving along well with the early August Steering Committee meeting with CASE at the summer business meetings. We have established a first year budget, sub-committee structure with chairs and an operating procedures manual. We

are now looking for some hard-working committee volunteers.

2. Program introduction outline, a web-based introduction to RMP. CASE/ACEC staff, a web site designer and RMP are working on launching a website in early fall. The site will provide an outlet for RMP activities, news and resources for program participants.
3. Annual Convocation. November 5 and 6 – mark your calendar!
4. Publication: *Guidelines for the Performance of Site Visits*. Already nearing 'final draft' form, this publication will help us prepare our staff to represent our companies on the construction site.
5. Publication: *Concepts in Risk Management*. This project is in early development and the content is being formulated now.
6. Electronic newsletter. A periodic emailed communication to keep us up to date on; risk management, claims, law suits, settlements, legislation, activities, insurers and readers' comments.

Looking beyond the 2004 – 2005 year, we have proposed, and presented at ACEC and SEI meetings, a longer range view of potential risk management programs.

### Practice Improvement & Risk Management Education

#### Program Offerings for Structural Engineers

- I. PROGRAM INTRODUCTION
  - SERMC didn't have this.
  - Gives the member firm an understanding of the scope and objectives.
  - Given at the Initial Convocation with a web based package for new members and members' staff personnel.
- II. POLICIES & PROCEDURES FOR A SUCCESSFUL PRACTICE
  - SERMC's 6 Rx's but more.
  - Member firm develops "baseline" policies and procedures for phases of a project.
  - Process sets tone for firm's approach to professional practice.



- Firms develop internally with guidance and mentoring.
- III. PROFESSIONAL PRACTICE REVIEW
    - Improved version of SERMC's TPR.
    - Review of the effectiveness of the "baseline" policies & procedures and their implementation.
    - Personal review for firms of 6 & larger, web based for smaller firms.
  - IV. CLAIM ASSESSMENT & DEFENSE ANALYSIS
    - Similar to SERMC's Claims Review.
    - Peer evaluation of a specific claim.
    - Realistic assessment of the issues and claims.
    - Implemented by a team of SE's trained for this.
  - V. CLOSED CLAIMS EVALUATION
    - Only done sporadically by SERMC.
    - All member claims are assessed for causes to find ways to prevent re-occurrence.
    - Web based questionnaire w/ telephone interview. Results systematically compiled for development of actions to be taken.
  - VI. ANNUAL CONVOCATION
    - SERMC had 2, four years apart.
    - All members meet to share experience, learn from program discoveries and about ways to improve practice.
    - National Meeting, November 5 and 6 in Washington, this year.
- FUTURE PROGRAM OFFERINGS
- Seminar for a Successful Practice
  - Tools for a Successful Practice
  - Guides for a Successful Staff
  - Guide for handling claims
  - Practice Event Responses
  - Legal Counsel Database
  - Legal Testimony Database ■