



Risk Management Policy

Preamble

Newport Yacht Club recognizes that there are risks inherent in the operation of the club. Newport Yacht Club is committed to minimizing risks to the club and to its members and volunteers. by being proactive in identifying, measuring and controlling actual and potential risks.

Aim

The aim of this document is to provide direction as to how the risk management function is to be performed within Newport Yacht Club.

Purposes

The purposes to risk management are to:

1. Prevent or limit injuries to Directors, volunteers and staff;
2. Help protect Newport Yacht Club and its volunteers, staff and club representatives against litigation;
3. Reduce the cost of insurance;
4. Improve the services provided to Newport Yacht Club's members;
5. Practice sound business management; and
6. Enhance Newport Yacht Club's image and reputation.

Authority

This document is issued under the authority of the President/Commodore and the Board of Directors.

Application

This policy is applicable within all aspects of Newport Yacht Club.

Definitions

Risk – is defined as any condition or circumstance that may result in injury, damage or loss to either individuals or organizations.

Risk Management – is a logical step-by-step process for reducing the chance of injury, damage or loss by taking steps to identify measure and control risks.

Risk Management Plan – is a systematic and comprehensive analysis of activities within Newport Yacht Club to assess potential risks, and the selection and introduction of appropriate risk control measures.

Policy

1. All activities or events undertaken by Newport Yacht Club must be analyzed from a risk management perspective with a view to protecting Newport Yacht Club and its members and club representatives against possible risk.
2. Prudent measures must be taken to identify measure and control both predictable and unforeseen risks.
3. Risk control strategies and procedures must be reasonable, and must protect Newport Yacht Club from accusations of negligence by establishing “standards” that are defined by written/published standards, unwritten/unpublished standards, established precedent (i.e. case law) and common sense.
4. Risk management is shared responsibility. All directors, officers, staff, volunteers and club representatives have a general responsibility to take appropriate measure within their terms of reference to manage risk.
5. The President/Commodore is assigned the specific responsibility for developing and implementing a Risk Management Plan that will give force to this policy within Newport Yacht Club’s operations.

Provisions

Risk Management Process: Managing risk involves a two-step process: identifying and measuring actual or potential risks; and the development and implementation of measures for controlling risks. The two steps are explained at greater length below.

Identifying and Measuring Risks: Any risk that may arise as a result of an activity or event shall be identified, and

1. *The probability of that risk becoming reality, and*
2. *The related potential effect and/or cost to individuals or organizations shall be assessed.*

The source of risk are generally categorized as follows: facilities (e.g. buildings); equipment (e.g. office equipment, boats, sails, trailers); people (e.g. participants, staff, volunteers); and program. The main types of risk are categorized as:

- a) Physical or mental injury;
- b) Loss or rights/wrongful actions;
- c) Property loss or damage; and
- d) Damage to reputation

Controlling Risks: Based on the results of risk identification and measurements, steps shall be taken to control risks. All risks have three components:

1. Probability of occurrence;
2. Severity of the hazard; and
3. The exposure of people and equipment to the risk.

Controlling risks generally entails developing and implementing measures that have one of four purposes:

- a) *Retaining the risk* – no action is taken because the likelihood of occurrence is low and the risk-related consequences are low.
- b) *Reducing the risk and minimizing the exposure* – actions are taken to reduce the likelihood of occurrence and/or the consequences.
- c) *Transferring the risk* – the level of risk is accepted, but the risk is transferred to others (e.g. through insurance or other forms of contracts).
- d) *Avoiding the risk* – the risk is eliminated through a decision not to continue with the risk-generating activity (e.g. cancel an event or program, terminate a membership, etc).

Risk Control Measures: Risk control measures or strategies to retain, reduce, transfer or eliminate assessed risk may include, but are not limited to:

- a) Policy development;
- b) Communication and education;
- c) Instruction or special training;
- d) Establishment of mandatory qualifications and certification (if applicable);
- e) Use of legally sound agreements and contracts (employees, contractors, partners, etc.)
- f) Supervision;
- g) Establishment of complaint handling procedures;
- h) Frequent reviews of insurance policies;
- i) Emergency systems and procedures;
- j) Modifications to equipment and facilities; and
- k) Use of warnings and waiver liability forms.

Risk Manager: The identified Risk Manager for the club is responsible and accountable to the President/Commodore for preparing Newport Yacht Club's Risk Management Plan, coordinating its implementation and ensuring that it remains up-to-date.

Risk Management Plan: A Risk Management Plan shall be developed as the mechanism for ensuring a coordinated approach to risk management within Newport Yacht Club's operations. The Risk Management Plan shall address both identified risks and a process for dealing with unforeseen risks:

- a) **Identified Risks:** Following a comprehensive risk analysis, the Plan shall identify all of the known risks of any significance that pertain to Newport Yacht Club and its operations. For each risk, a mitigating control measure or measures shall be specified. A specific appointment within the Newport Yacht Club staff/volunteer team shall be tasked with the responsibility of managing the selected risk control measure(s). The Plan shall also include a methodology for periodic review of each risk control measure to ensure that it remains current and functional.

- b) **Unforeseen or Emerging Risks:** The Plan shall identify a process through which Newport Yacht Club's operating environment is regularly scanned for new risks. The process must specify the procedure for identifying and measure new risks, for determining appropriate control measures, for assigning responsibility for control measures and for updating the Risk Management Plan accordingly.

Insurance: Insurance is one of the principal risk control measures that Newport Yacht Club employs:

- a) **Newport Yacht Club Insurance Policy:** Newport Yacht Club maintains an insurance policy on behalf of its directors, members and volunteers. The coverage in force is a Third Party Liability Policy that includes Directors and Officers errors and omissions.
- b) **Management of Insurance Policy:** Merely identifying possible risks does not mean that the activity or event is covered by Newport Yacht Club's insurance policy. Therefore, a proactive and focused effort shall be made to ensure that all activities or events are evaluated for essentiality and for associated risks. If an activity is deemed to be necessary and it is assessed that insurance is an appropriate control measure for risks associated with the activity, action must be taken to ensure that insurance coverage is in place.
- c) **Responsibility:** Newport Yacht Club's President/Commodore is responsible for all administration related to the maintenance of current and effective coverage through the Newport Yacht Club insurance policy, The President/Commodore will be the Newport Yacht Club authority regarding insurance matters between Newport Yacht Club and its insurer and between Newport Yacht Club and its members.

Reporting: To ensure that risk management remains a high and visible priority within Newport Yacht Club, the following reporting requirements are in effect:

- a) **Membership:** Updates on the status of Newport Yacht Club's Risk Management Plan and insurance policy will be agenda items at Newport Yacht Club's Annual General Meeting.
- b) **Board:** Reports on the status of Newport Yacht Club's Risk Management Plan and insurance will be made at all meetings of Newport Yacht Club's Board of Directors.

Review and Approval:

Reviewed by the Board of Directors of Newport Yacht Club

Date: March 1, 2023