The author contends that safety and accident prevention should be given primary consideration in a school system's risk management program. He argues that accidents and losses are symptoms of defects in the management system. Two classes of loss discussed are (1) accidental -- injury/loss resulting from unintended events; and (2) purposeful -- losses rising out of criminal activity such as arson, vandalism, theft, riots, etc. Insurance is seen as a last resort in risk management, since insurance covers only direct loss and indirect losses are at least four times as great. A 3-phase safety and security program is described that emphasizes (1) prevention of the event (e.g., accident or criminal activity); (2) mitigation of consequences (minimize injury/loss resulting from accident/criminal activity); and (3) maximization of salvage (emergency medical treatment, cleanup, and return to normalcy).
I would like to think that the folks who put this program together followed that old rule of saving the best for last. But I've been in the safety business long enough to become a realist and recognize that safety is seldom first— and sometimes last—on education manager's list of priorities. Perhaps the reason for this is that safety is often seen as a prohibition against some activity. Safety is something that interferes with something else you want to do. In fact, in our culture we honor risk-taking behavior and equate it with masculinity, whereas safe behavior is tacitly felt to be "sissy." You've all heard the expression "wussa matter...chicken?"

Aside from taking the last position on your program, the fact that all other presentations deal with insurance says something about the relative value of safety. From my prejudiced point of view it also seems to be a somewhat illogical sequence and imbalance of emphasis in a program on Risk Management. As I understand the principles of Risk Management, the first approach is elimination of the risk and the last tactic is transferrence of the risk.

What I shall attempt to do, therefore, in the time I have available, is convince you, first, that safety and accident prevention should be your primary concerns in Risk Management, and that insurance ought to be considered as a last resort.

Secondly, I want to introduce you to some new concepts in which accidents are seen as defects in the management system.

The American Management Association handbook defines risk management as "the control of the risks of accidental loss to which a legal entity is exposed, by avoidance, transfer, reduction, and other means, coordinated to
the efficient protection of the assets and earnings of the entity and the furtherance of its objects."

I personally feel this definition is too narrow, since it is confined to control of accidental loss. Clearly, there are two classes of loss: those suffered as a result of accidents, and those suffered as a result of purposeful activity.

An accident is generally defined by safety practitioners as "an unplanned event which may result in injury or damage." Notice that this definition focuses on the event and not the consequences of the event. In our everyday use of the term it is almost a synonym for injury or damage. For example, if your shop teacher suffers eye damage from a metal chip while turning stock on the lathe, we say "he had an accident." But if the same piece of metal bounces harmlessly off his safety glasses - then what? Did he have an accident? The same event - the accident - occurred in both cases. But the consequences of the "accident" were quite different.

Now we're not just playing with words. This concept of an accident as an unplanned event is critical to developing a 3 phase safety program.

Such a program encompasses, first, accident prevention - that is, control of events so that negative consequences will be avoided. Secondly, the program is concerned with mitigation of injury and damage in case control is lost and the accident happens despite your best efforts. And third, the program plans to maximize salvage, which is an attempt to regain control after the accident has occurred. We'll return to these 3 factors later.

So the first category of losses the Risk Manager must deal with in those arising out of unplanned events - i.e., accidents.

Another class of losses which are not accidental, but which are clearly within the province of the Risk Manager, might be called "purposeful loss."
Arson, vandalism, theft, and riots are examples. It may be helpful to think of these losses as resulting from criminal activity. This category encompasses the security aspects of your School’s Risk Management program.

I hope the distinction between accidental loss and purposeful loss is clear, because management of the risk depends upon an understanding of its origin. Obviously you don’t prevent a boiler explosion by floodlighting your campus.

According to Risk Management theory, a pure risk exists when there is a possibility of loss but no chance of gain. Accidents are pure risks. Accidents produce losses which result in a company being set back to a position no better than that previously obtained. Put another way, the price of an accident has always been high, and the money you spend doesn’t by anything. Insurance doesn’t buy anything. Insurance is after-the-fact; it helps you pick up the pieces. It can do nothing more than offer financial reimbursement for the direct loss suffered. And unrecovered losses are estimated to be four times incurred losses when all the indirect costs of accidents are computed. Insurance can’t bring back life, replace a finger, or retain customers. It is a poor second-best. Insurance, therefore, should be the last line of defense in the Risk Manager’s arsenal.

If insurance is the last resort, how then should the risk manager deal with the problems of accidental and purposeful loss?

Absolutely essential to the success of the Risk Management and Safety function is a written safety policy by top management. A policy is defined as “a settled course adopted and followed by a body.” So when top management announces a settled course, they are doing at least 3 things: They are affirming a long-range purpose; they are committing all levels of management to re-affirm and reinforce this purpose in daily decisions; and they are providing direction and guidance for all employees.
One word of caution. A policy is not the program, just as a map is not the territory. Management must continually communicate its safety policy by action and example as well as words.

The best way for top management to breathe life into its safety policy is to assign the safety and Risk Management function to a staff specialist. This specialist serves in a staff (advisory) capacity and should report to a top school official - either to the Superintendent or Business Manager. Since risk management and safety are concerned with conservation of the school districts financial resources, this function is traditionally located in the business office. Therefore, the safety specialist should logically report to the School Business official.

Now maybe you're thinking, "we don't need another man for this job. We've already got a School Safety Committee." If you've got a safety committee but don't have a professional safety specialist, you don't have a safety program. It's that simple. No committee can be held accountable; no committee can make decisions. Which is not to say that the safety committee has no place in loss control. Indeed it does, but ancillary to the professional safety administrator - not as a substitute for him.

One other comment about the safety specialist: you may feel you can afford a part-time man, but not full time. The danger here is that safety is just "tacked-on" to some other responsibility. Safety becomes secondary, not primary - which is a tacit admission by management that safety isn't really very important after all. The typical school title, "John Q. Educator, Director of Health, Physical Education, Recreation and Safety," honors safety in the breach than in the observance.
Assigning the safety and loss control function to a staff specialist in no way diminishes top management's responsibility. For the modern concept of safety and loss control views unsafe acts, unsafe conditions, and accidents as defects in the management system. This principle is predicated on the knowledge that accidents result from a variety of multiple causative factors. Rather than assessing blame or seeking immediate causes of loss, the modern safety administrator looks beyond the unsafe act or unsafe condition to ask why the system permitted the unsafe act or condition to exist. In a sense the safety administrator operates in a fashion similar to the physician. He diagnoses symptoms to determine causes, and then treats those causes - or recommends appropriate system changes to management.

One final word about the function of the safety administrator. His primary function is to prevent accidents; that is, to identify those factors which lead to loss, predict the probability of their occurring; decide what action needs to be taken, and execute his decision.

But he recognizes human fallibility and knows that accidents will happen. So, in addition to doing everything feasible to prevent those unplanned events called accidents from happening, the safety specialist's second line of defense is accident mitigation. That is, he takes action to minimize the consequences of accidents. Thus he recommends eye protection, steel toe shoes, hard hats and other safety gear for the staff, and the guarding of vital machinery and operations to protect them from damage, as well as to prevent them from harming someone.

The 3rd back-up system for the safety specialist is maximizing salvage after the accident. The effort here is to keep death, disability and property loss to a minimum.
Emergency preparedness, first aid and emergency medical care, evacuation, extrication and clean up procedures are examples of ways in which accidental losses can be minimized. You will recognize, of course, that this safety system applies to the treatment of purposeful loss as well as accidental loss.

The fact that you're meeting to discuss the subject indicates your concern for the risky business of schools. And there's good reason why, today, schools are a risky business. Consider the following:

1. Student unrest  
   On the downturn now, but still a problem.

2. Less discipline  
   For whatever reasons, there is clearly less respect for other people's property today than when you and I were young.

3. Loss of immunity  
   The concept of governmental (school) immunity from tort liability is being eroded in state after state. The consumer is king today, and his battle cry is sue! sue! sue! And the best way to avoid suit is to prevent the accident.

4. Larger physical plants  
   The greater value of today's schools concentrates potential loss in a smaller area - thus floods, fire, tornadoes and the like can wreak tremendous damage.

5. Sophisticated equipment  
   in shops, labs, computers, etc. present hazards to the unwary student, teacher or employee, as well as increasing insurance premiums.

6. Tight tax dollars  
   Education facility planners have been reluctant to spend money for risk protection beyond that required by law. For example, completely sprinklered school buildings are a rarity.

My hope, then, is that you'll get organized for school Risk Management by, first, establishing a policy; 2nd, assigning responsibility to a professional safety administrator; and 3rd, creating a system to prevent accidents, minimize accident consequences, and maximize salvage after an accident has occurred.
The National Safety Council is here to help. Don't hesitate to call on us.

Kenneth F. Licht
Chicago - ASBO
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