



Explore Risk Management in Higher Education

Overview of the Higher Ed Risk Management Profession

Who are higher education risk managers?

Although we hail from a wide variety of professional and educational backgrounds, campus risk management professionals share the common goal of protecting students, faculty, staff, and the institutions they serve from both common and unique risks. We protect an institution's assets through the identification, analysis, and control of risks; the financing of eventual losses; and the implementation and monitoring of risk management best practices and policies. Our goal is to positively influence the institutions we serve and allow them the freedom to better meet their educational, social, and economic goals.

What do higher education risk managers do?

Higher education risk management is as much art as it is science. The process can be complicated with a myriad of tiny details—indeed, the “devil is in the details.” Additionally, every institution varies slightly in the unique risks they face, their goals, and their campus cultures. As risk managers, we work to incorporate these unique, changing risks and our institutions' individual needs into our risk management plans. As a result, the risk manager's job is a highly dynamic one that can differ from institution to institution and, sometimes, day to day.

The Risk Management Process: A Five-Step Approach to Campus Protection, Prevention, and Mitigation

To help simplify the process, there are five distinct steps to higher education risk management: Risk Identification, Risk Measurement, Technique Selection, Implementation, and Result Monitoring.

Step 1: Risk Identification – First, a risk manager must understand the basic character and mission of the college or university, as well as the risks, rewards, and opportunities facing it. Risk managers acquire this knowledge by:

- Interviewing or surveying administrative, legal, academic, and facilities department heads and other subject experts in more focused areas.
- Being familiar with the latest news and updates regarding the institution.
- Reviewing the institution's human resources, financial, legal, and operational policies.
- Reviewing insurance policies, leases, and important agreements.
- Reading the balance sheet and other financial documents.

Step 2: Risk Measurement – Knowledge is power, and documentation is key. By utilizing technology to better store documents and other information, risk managers can effectively analyze institutional risks and ascertain a college's risk appetite. Quantitative and qualitative analysis can uncover hidden patterns.

Step 3: Technique Selection – Risk identification and measurement a foundational level of awareness that allows the risk manager to develop risk control programs. Risk control programs are the combined practices, policies, and procedures identified by risk managers to decrease the probability of losses to the institution and respond to risks that may be unavoidable or unpredictable.

Step 4: Implementation – The risk manager should participate in any discussions concerning which activities the institution will pursue and which are deemed unacceptable risks. Often, the risk manager handles all facets of financing those risks, which include transferring risk, often by contractual terms; shifting risk through insurance; or financing by setting money aside or, rarely, by borrowing money. The risk manager advises on which risks to retain and which to transfer. When a loss inevitably occurs, the risk manager also manages the finances of the claim.

Step 5: Result Monitoring – Finally, the risk manager monitors all risk management programs, modifying and updating them as needed through a constant feedback loop.

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