

# EVENT RISK MANAGEMENT



## EFFECTIVE RISK MANAGEMENT IS FUNDAMENTAL TO A SUCCESSFUL EVENT

From a large sporting event or music festival to a small indoor competition, an event brings together a unique combination of factors, including performers, organizers, suppliers, spectators, and sponsors. Inherently, organizing and hosting an event involves a high degree of uncertainty and potential risk.

With an increase in the number of events being held, along with a continuing focus on risk management and controls for safety and emergencies, effective event management is becoming a top focus and a significant concern for event owners and organizers.

Marsh's Global Sports & Events Practice brings together expertise in risk management, powerful analytics, and more than 20 years of experience in handling risk and insurance management for event organizers and venues across the globe to bring you effective solutions. Our Global Sports & Events team acts as an extension of your staff with a focus on risk and insurance issues, allowing you to focus on your primary task – producing outstanding events.

## EVENT RISK ANALYSIS

Every event comes with a variety of risk issues that could potentially impact normal operations and cause an interruption and/or a financial loss, of both an insurable and non-insurable nature. To assist event owners, Marsh has developed an Event

Risk Analysis (ERA) tool that evaluates the effectiveness of risk management controls for any event.

Marsh's ERA tool looks at risk management under the following key areas:

- Security
- Information technology
- Environmental
- Financial and management
- Contracts
- Site services
- Loss control (health and safety, fire, medical)
- Emergency response planning

The ERA tool examines the current risk management controls in place and evaluates them using a categorized risk rating. The risk rating is based upon an evaluation of the effectiveness of the existing controls that are currently in place, such as policies, procedures, transfer mechanisms, or physical measures that are designed to reduce the magnitude of the risk's impact and/or the likelihood of it occurring.

Risk ratings are derived from a benchmark of the reviews of risk controls used by other major events and venues. This benchmark experience includes summer and winter Olympics, Commonwealth Games, international sport stadiums, sports tournaments and championships, and music concerts.

## BENEFITS OF AN EVENT RISK ANALYSIS

- Affords confirmation as to whether or not existing risk management controls will be effective.
- Provides a benchmark of risk management controls against similar major events and venues.
- Outlines risk improvement recommendations that will assist in the operational planning of an event.
- Is an effective risk management tool to control and reduce insurance premiums.
- Demonstrates that a robust risk management program/approach is in place.

## PROVEN RESULTS

### US\$410,000 SAVINGS FOR AN INTERNATIONAL SPORTS EVENT

The organizer of an international two-week sports event in the UK engaged Marsh to evaluate its current risk management controls. The ERA showed that there was a high standard of risk management controls already in place, and with the subsequent implementation of additional risk improvement recommendations, the event owner was able to save more than US\$410,000 on their existing insurance costs.

### FIT-FOR-PURPOSE CONTROLS FOR AN ATHLETICS EVENT

An organization that was contractually responsible for the running of a sports event for a UK sports' governing body asked Marsh to assist in the risk management review of the event. Marsh completed a risk workshop with the event personnel and subsequently an ERA at the actual venue. The resulting evaluation clearly indicated a number of areas where risk management control improvements were necessary. The implementation of the suggested controls led to the completion of a successful event for the program organizer.

### PROTECTING BRAND IMAGE DURING A PRODUCT LAUNCH EVENT

A major motorcycle manufacturer was launching a new bike at a European venue. As a part of the event, there was an opportunity to road test the new bike. Marsh was requested to complete an ERA, which enabled the client to identify the need for appropriate insurance cover and an effective emergency response plan.

Marsh is a global leader in insurance broking and risk management. We help clients succeed by defining, designing, and delivering innovative industry-specific solutions that help them effectively manage risk. We have approximately 27,000 colleagues working together to serve clients in more than 100 countries. Marsh is a wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC), a global professional services firm offering clients advice and solutions in the areas of risk, strategy, and human capital. With more than 54,000 employees worldwide and approximately \$12 billion in annual revenue, Marsh & McLennan Companies is also the parent company of Guy Carpenter, a global leader in providing risk and reinsurance intermediary services; Mercer, a global leader in talent, health, retirement, and investment consulting; and Oliver Wyman, a global leader in management consulting.

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