

Learning from a major loss to drive risk improvement

This new engineering client which reported a handful of claims that resulted from work undertaken several years previously. We were keen to gain some understanding about the firm's approach to risk management and particularly about improvements that could be made to prevent recurrence of similar incidents.



Approach

One of our experienced risk consultants carried out a detailed risk review of the business operations using our own comprehensive risk assessment model, QRisk. The key findings and recommendations related to the following:

- improved risk assessment of potential projects, including client profiles and resource constraints;
- better review of agreements with regard to commitments for site activities and related inspection obligations;
- lessons learnt about how to manage activities after claims emerge.

Outcome

A follow-up review conducted after 6 months was invaluable. It confirmed completion of the original plans, and contributed to the further development of ideas and action plans to improve risk management processes. These included proposals to:

- implement internal risk registers for larger projects;
- implement post-project reviews to identify lessons learnt;
- develop summary documents based on lessons learnt from specific projects or specific types of design - this supported knowledge sharing and CPD across the practice and its offices.

Our approach to risk assessment embraces the idea that systems need to evolve to improve and to capture learning and prevent it from leaching out of the business over time. Critical to the success of this evolution approach is the identification of processes that are not working optimally and of alternatives to be tried and evaluated. In this case our client used our review as the trigger for such an exercise and our expert consultant was able to support and enhance the thinking in that regard.

Despite the claims, we were able to maintain premiums at a steady level; the review had given us a good degree of comfort that the root causes had been addressed and that the likelihood of similar errors had been greatly reduced as a result.

Risk Manager's comment

Organisations often fall down on their ability to capture learning points arising from complaints, insurance claims, errors and even 'near misses'. It is essential these are captured in written procedures, supervision, training and independent review / audit mechanisms in a way that will ensure that the business retains knowledge of lessons learnt.

Further information

For more information on QRisk, please contact support.qrisk@uk.qbe.com

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