

Risk Management and Lessons Learned

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Actual Student Tour Operator Claims

- Our exposure to Student Tour Operator claims over the past 20-plus years has enabled our team to become pioneers of risk management. We get to see what works and what doesn't work, on an almost day-to-day basis. The regular handling of insurance claims and lawsuits have provided us with great insight for improvements and adjustments to the student tour operators risk management protocols. We learn from both our insured Tour Operators and the Courts after the ultimate resolution of these matters.

As Student Tour Operators, your reputation is **everything**, and it rests heavily on the safety of your operations and your response to less than optimal situations.

We consider the management of claims to be the greatest learning resource available to us and to student operators.

Actual Claims – Real Takeaways

- The claim scenario that will be discussed today is based on a synthesis of numerous actual claims submitted to Aon/Berkely during the life of our program.

No matter what the claim scenario,
we have found that there are
certain key components of every
risk management plan that form
the basis of comprehensive
strategy.

6 “D”s of Every Risk Management Plan

#1-2 **Due Diligence**

- Research Customers Needs and Goals
- Research Destination
- Research All Suppliers and Vendors
- Research Emergency Response/Crisis Management Plan

6 “D”s of Every Risk Management Plan

3 **D**isclosure

- Proper Disclosure to Customer
- Proper Disclosure to Suppliers

6 “D”s of Every Risk Management Plan

#4 **D**ocumentation

Paper trail memorializing communications with any involved party

- Customer
- Vendors – Suppliers

6 “D”s of Every Risk Management Plan

#5 **Dedication**

All members of your team, including employees, independent contractors, suppliers, etc. need to be dedicated to providing the services purchased in a professional manner and with the ultimate goal of providing the highest level of customer service possible.

6 “D”s of Every Risk Management Plan

#6 Dialogue

Continuous ongoing dialogue with all parties – Customers, Suppliers, and Authorities

- Before an event, incident or accident
- During an event, incident or accident
- After an event, incident or accident

Claim Scenario –A Drowning

- Student drowns at hotel pool during free time event.
- Key issue in this claim – Under whose supervision was the student at the time of drowning. This determination was not such an easy exercise.

Due Diligence

- Usually was done well
- Reputable ground operator/DMC selected

What actions by Tour Operator may have potentially changed outcome?

- Operators were usually aware hotel pools would be unguarded
- Operators could have determined expectations of group leader and parents with respect to swimming activities and supervision at unguarded hotel pools

Disclosure

- In this particular scenario we often find some deficiencies in disclosure to both the destination management company and the customers (students, parents and the sponsoring organization).
- Full disclosure to group and parents that hotel has unguarded pools and that swimming may be permitted during free time periods

Disclosure -continued

- Communication from group or parents as to whether they would consent to children swimming in unguarded pool was not sought
- Communication from Tour Operator to ground operator/DMC expectations with to respect swimming at unguarded pool or supervision responsibilities of ground operator during various phases of the engagement

Documentation

Having a paper trail is always key to a solid defense and most often a road map of how the transaction actually took place.

- All communications between parties to the transaction should be well documented and memorialized in writing
- Agreements with the ground operator/DMC should thoroughly memorialize the duties, responsibilities and obligations of the parties contract to fulfill the tour program. What are the responsibilities of the group and the chaperones versus that of the tour company?

Dedication

Was your team completely dedicated to providing the services contracted for and to ensure the safety of all those involved?

Was there a shortfall?

Dialogue

The impetus for legal claims and lawsuits is very often the manner in which a company responds to a given situation or their lack of response.

- A proper and compassionate response saves reputation and at the same time mitigates damages.
- A solid crisis management plan enables a tour operator to respond in an effective manner and mitigate inaccurate or judgmental posting on social media and the news

Questions?

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