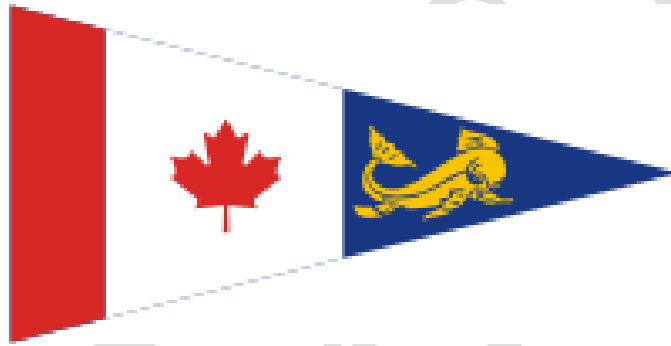


Canadian Coast Guard Auxiliary Exposure Risk Assessment



**October 15 - 16, 2010
Victoria, British Columbia**

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1 Executive Summary

Search and Rescue by its very nature is a dangerous activity. Therefore proper precautions must be taken to reduce the risks of injury, prevent accidents, and reduce liability. In addition, the various activities in the management of the CCGA are also open to exposure that could lead to public embarrassment or prosecution if they are not properly mitigated.

2 Purpose of the Risk Assessment

The purpose of the risk assessment was to:

1. assess the many points of exposure that face the CCGA and CCG to determine the severity of risk for each of these scenarios,
2. determine which scenarios are insurable, and whether given the level risk involved, should it be insured and;
3. update the CCGA RBAF/RMAF

3 Method

The Risk Division and SAR HQ reviewed the previous insurance risk assessment; within it were over 90 risks. Most of these risks were really just short phrases. By converting the risks into proper risks statements and giving them definitions, it duplication was eliminated and the number of unique risks dropped to 43. These risks were then rated in terms of impact and likelihood at the Joint CCG/CCGA National Meeting in Victoria. Risk is the product of impact and likelihood.

Marsh Consulting validated the process to ensure that it was carried out in accordance with current risk management practices. See appendix "B".

4 Findings

Shown below are the ten highest ranking risks from the exercise.

National Average			
Risk Scenario	Impact	Likelihood	Risk
Towing	3.54	2.85	10.07
There is a risk that if CCG reduces administrative related services or adds new requirements it would cause an administrative work load situation for the CCGA members and would thus impact on the CCGA's ability to meet various management obligations	3.15	3.08	9.70
Error or inaction of Volunteer	3.46	2.62	9.05
Injuries to Crew	3.31	2.62	8.65
Risk of conflict between CCG and CCGA due to overlapping operational areas of responsibility.	2.92	2.85	8.32
Mishandling Injured or collisions with persons in the water	3.46	2.38	8.25

Groundings/Stranding/Collisions	3.38	2.38	8.07
Tasking Beyond Capability (or Endurance)	3.15	2.54	8.01
Alcohol served at CCGA Functions	3.23	2.46	7.95
Loss of Earnings	3.08	2.54	7.81

The table above is based on the average score from all of the participants. As one reviews the Regional profiles, one will notice that the priorities change from one Region to another. Also, within a Region there are some discrepancies between CCG and the CCGA on a number of issues.

Not all of the risks that are insurable are insured. For the most part, these were deemed to be medium level or managed risks.

5 Recommendations

5.1 Dialogue on Risk Scenarios

It is recommended that CCGA and CCG begin joint discussions on National and Regional risk scenarios that scored a higher rating (Tables 3.1.1 to 3.1.7). This will lead to an improved understanding of each other's perspective on the risks and may result in developing mitigating methods to the current risks.

The CCGA is encouraged to share the results of this exercise with their members.

5.2 Insurance Coverage

Of the 43 risks identified, 19 risks are fully covered, eight are partially covered, and two that could be partially insured but are not. See section 3.4. The risks in section 3.2.1 are all rated as managed or medium level risks (Yellow). While the risks in section 3.2.2 (fully insured) range from low to medium high in their severity.

The CCGA and CCG HQ are encouraged to review the need for insurance and the deductible levels on these items.

**Canadian Coast Guard Auxiliary
Exposure Risk Assessment**

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Canadian Coast Guard Auxiliary

Exposure Risk Assessment

Search and Rescue by its very nature is a dangerous activity. Therefore proper precautions must be taken to reduce the risks of injury, prevent accidents, and reduce liability. In addition, the various activities in the management of the CCGA are also open to exposure that could lead to public embarrassment or prosecution if they are not properly mitigated.

1 Purpose of the Risk Assessment

The purpose of the risk assessment was to:

- assess the many points of exposure that face the CCGA and CCG to determine the severity of risk for each of these scenarios,
- determine which scenarios are insurable, and whether given the level risk involved, should it be insured and;
- update the CCGA RBAF/RMAF.

2 Method

The Risk Division and SAR HQ reviewed the previous insurance risk assessment; in it were over 90 risks. Most of the risks were comprised of short phrases. By converting the phrases into proper risks statements, adding definitions and drivers to them, it was found that the number of unique risks dropped to 40.

The list of risks and their drivers were sent to all participants in advance of the national meeting for their comments and to ensure that all known risks were going to be addressed. By the time that the national meeting in Victoria took place the list grew to 43 unique risks. (See Appendix "A")

These risks were then rated by the participants in terms of impact and likelihood. The scales for impact and likelihood ranged from one to five and their definitions are consistent with the DFO Corporate Risk rating methodology. To ensure that the scoring was carried out in an objective manner, these definitions were printed on placemats to which the the participants could easily refer as needed. Risk is the product of impact and likelihood (a risk with an impact of 4 and a likelihood of 3 will have a risk rating of 12).

Voting for the rating of the risks was captured using the Sharpe Decisions wireless keypads. This electronic system allows the data to be analyzed in a number of ways. The software used for the exercise captures group demographics by simply asking a few stakeholder questions at the beginning of the ranking exercise.

The process was validated by Marsh Risk Consulting (MRC) to ensure that it was carried out in accordance with current risk management practices. The members from MRC were free to ask questions and participate in the discussions at any

time to ensure comprehension of issues being discussed. The CCG methodology is based on the Canadian Standards Association Q850-97 standard for risk management.

In a separate exercise, the insurance branch of Marsh evaluated the insurability of the risks and determined whether or not they were covered. Their comments can be found on the Risk Summary Sheets in appendix "A".

3 Findings

3.3 Risk Assessment

The risk tables below illustrate the differences in regional scores as well as the differentiation in perception of the risks between the Auxiliary and CCG within the same Region.

The risk columns are color coded to indicate the severity of the individual risks. A red background indicates an extreme condition that is difficult to manage; orange shows that the risk has become a challenge to manage; yellow is an indication that it is being managed through normal processes; green shows that the risk is quite low.

A risk that has been rated in the green category (Low) might be at this level due to the number of controls in place or it is simply at a low level of exposure. There might be advantages to be gained by reviewing the existing controls on the low rated risks and redirecting some of that effort into a higher rated risk. This would allow the original risk to rise a little but may free resources that could be redirected into a higher rated risk.

In the tables below are the 10 highest rated risks for each Region and National. In a few cases this number was expanded to include similarly rated risks. For a complete description of the individual risks refer to the Risk Summary Sheets in Appendix "A".

3.3.1 National 10 Highest Rated Risks

In this table the scores from all of the participants (CCG Superintendents and CCGA Presidents) were averaged to create the risk rating.

Risk Scenario	Risk
Towing	10.07
There is a risk that if CCG reduces administrative related services or adds new requirements it would cause an administrative work load situation for the CCGA members and would thus impact on the CCGA's ability to meet various management obligations	9.70
Error or inaction of Volunteer	9.05
Injuries to Crew	8.65
Risk of conflict between CCG and CCGA due to overlapping operational areas of responsibility.	8.32
Mishandling Injured or collisions with persons in the water	8.25
Groundings/Stranding/Collisions	8.07

Tasking Beyond Capability (or Endurance)	8.01
Alcohol served at CCGA Functions	7.95
Loss of Earnings	7.81

From a National perspective CCG and CCGA should review the risks and control measures in place with: Towing, Administrative workload, and the error or inaction of a volunteer.

3.3.2 NCR 10 Highest Rated Risks

Director Maritime Safety Systems, National Program Coast Guard Auxiliary
 Manager, National CCGA President

Risk Scenario	NCR CCG 1	NCR CCG 2	Auxiliary	Average Risk
There is a risk that if CCG reduces administrative related services or adds new requirements it would cause an administrative work load situation for the CCGA members and would thus impact on the CCGA's ability to meet various management obligations	9	9	16	11.33
Towing	12	9	6	9.00
Alcohol served at CCGA Functions	12	9	6	9.00
Error or inaction of Volunteer	9	12	4	8.33
Groundings/Stranding/Collisions	6	12	6	8.00
Injuries to Crew	12	6	6	8.00
Civil Lawsuits (long term injuries – back problems from operating FRC)	6	6	12	8.00
Improper Behavior	6	8	8	7.33
Overloading CCGA volunteers with work as a result of CCG downsizing and/or reduction in service.	3	6	12	7.00
Lack of suitable SAR specific equipment preventing CCGA to accomplish its SAR mission effectively	6	6	9	7.00

3.3.3 Newfoundland and Labrador Region 10 Highest Rated Risks

Risk Scenario	CCG	Auxiliary	Average Risk
Error or inaction of Volunteer	8	8	8
Tasking Beyond Capability (or Endurance)	8	6	7
Lack/Absence of Proper Training	6	8	7
Towing	6	8	7
Loss of Earnings	6	8	7
Mishandling Injured or collisions with persons in the water	6	6	6
Injuries to Crew	3	9	6
Geophysical Risk	6	6	6
There is a risk that if CCG reduces administrative related services or adds new requirements it would cause an administrative work load situation for the CCGA members and would thus impact on the CCGA's ability to meet various management obligations	6	6	6
Erroneous Advice	4	6	5

3.3.4 Maritimes Region 12 Highest Rated Risks

Risk Scenario	CCG	Auxiliary	Average Risk
Risk of conflict between CCG and CCGA due to overlapping operational areas of responsibility.	16	25	20.5
Error or inaction of JRCC/MRSC	12	25	18.5
Human Rights Complaints/Age discrimination issues	9	20	14.5
Faulty Equipment/Material/Workmanship (Pumps/Tow Line, etc.)	9	20	14.5
Highway Hazards	9	20	14.5
Error or inaction of Volunteer	16	12	14
Towing	12	16	14
Error in Valuation	9	16	12.5
Injuries to Crew	4	20	12
Mishandling Injured or collisions with persons in the water	16	6	11
Groundings/Stranding/Collisions	6	16	11
Fraud	6	16	11

3.3.5 Quebec Region 11 Highest Rated Risks

Risk Scenario	CCG	Auxiliary	Average Risk
There is a risk that if CCG reduces administrative related services or adds new requirements it would cause an administrative work load situation for the CCGA members and would thus impact on the CCGA's ability to meet various management obligations	12	20	16
Vessel/Equipment Donated to CCGA (seaworthiness/reliability/improper upgrade), Stability Issues	16	9	12.5
Wrongful Dismissal	15	9	12
Lack/Absence of Proper Training	15	9	12
Erroneous Advice	12	12	12
Injuries to Crew	12	12	12
Bank accounts liabilities (CCGA-Q/Societies)	12	12	12
Improper Behavior	12	12	12
Geophysical Risk	12	12	12
Environmental Pollution – Personal Injury	12	12	12
Lack of suitable SAR specific equipment preventing CCGA to accomplish its SAR mission effectively	12	12	12

3.3.6 Central and Arctic Region 13 Highest Rated Risks

Risk Scenario	CCG	Auxiliary	Average Risk
Towing	12	16	14
Tasking Beyond Capability (or Endurance)	6	20	13
Poor Record Keeping	12	9	10.5
Mishandling Injured or collisions with persons in the water	12	8	10
Sabotage/Vandalism/Malicious Damage	6	12	9
Improper protection of personal information (SMS Database)	6	12	9
Error or inaction of Volunteer	12	3	7.5
Groundings/Stranding/Collisions	6	8	7
Loss of Earnings	8	6	7
Error or inaction of JRCC/MRSC	12	1	6.5
Erroneous Advice	9	4	6.5
Alcohol served at CCGA Functions	3	10	6.5
There is a risk that if CCG reduces administrative related services or adds new requirements it would cause an administrative work load situation for the CCGA members and would thus impact on the CCGA's ability to meet various management obligations	9	4	6.5

3.3.7 Pacific Region 10 Highest Rated Risks

Risk Scenario	CCG	Auxiliary	Average Risk
There is a risk that if CCG reduces administrative related services or adds new requirements it would cause an administrative work load situation for the CCGA members and would thus impact on the CCGA's ability to meet various management obligations	16	20	18
Risk of conflict between CCG and CCGA due to overlapping operational areas of responsibility.	9	25	17
Poor Record Keeping	12	12	12
Civil Lawsuits (long term injuries – back problems from operating FRC)	12	12	12
Improper protection of personal information (SMS Database)	12	12	12
Error or inaction of JRCC/MRSC	10	12	11
Groundings/Stranding/Collisions	10	12	11
Fiduciary Duty	12	10	11
Injuries to Crew	12	9	10.5
Alcohol served at CCGA Functions	12	9	10.5

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3.3.8 All Risks at a Glance

Risk Scenario	NCR			Pacific		Maritimes		Newfoundland and Labrador		Central and Arctic		Quebec		National Average
	CCG 1	CCG 2	CCGA	CCG	CCGA	CCG	CCGA	CCG	CCGA	CCG	CCGA	CCG	CCGA	Risk
	Risk	Risk	Risk	Risk	Risk	Risk	Risk	Risk	Risk	Risk	Risk	Risk	Risk	
Towing	12	9	6	8	8	12	16	6	8	12	16	12	6	10.07
There is a risk that if CCG reduces administrative related services or adds new requirements it would cause an administrative work load situation for the CCGA members and would thus impact on the CCGA's ability to meet various management obligations	9	9	16	16	20	4	4	6	6	9	4	12	20	9.70
Error or inaction of Volunteer	9	12	4	12	6	16	12	8	8	12	3	12	6	9.05
Injuries to Crew	12	6	6	12	9	4	20	3	9	6	6	12	12	8.65
Risk of conflict between CCG and CCGA due to overlapping operational areas of responsibility.	6	2	9	9	25	16	25	2	2	6	6	12	4	8.32

Mishandling Injured or collisions with persons in the water	9	4	6	8	8	16	6	6	6	12	8	6	12	8.25
Groundings/Stranding/Collisions	6	12	6	10	12	6	16	6	3	6	8	12	4	8.07
Tasking Beyond Capability (or Endurance)	12	3	4	6	9	12	6	8	6	6	20	12	4	8.01
Alcohol served at CCGA Functions	12	9	6	12	9	6	9	4	4	3	10	12	8	7.95
Loss of Earnings	6	6	6	8	9	6	12	6	8	8	6	12	6	7.81
Error or inaction of JRCC/MRSC	4	3	2	10	12	12	25	8	1	12	1	12	6	7.28
Lack/Absence of Proper Training	6	6	4	12	6	16	1	6	8	4	8	15	9	7.28
Improper protection of personal information (SMS Database)	6	3	6	12	12	4	12	2	4	6	12	12	6	7.15
Poor Record Keeping	6	4	4	12	12	12	2	3	4	12	9	12	4	6.97
Improper Behavior	6	8	8	6	9	6	12	2	2	4	4	12	12	6.97
Lack of suitable SAR specific equipment preventing CCGA to accomplish its SAR mission effectively	6	6	9	9	10	9	9	4	2	4	2	12	12	6.97
Erroneous Advice	4	3	4	6	12	8	8	4	6	9	4	12	12	6.86
Poor Public	0	0	6	0	15	0	9	0	2	0	1	0	12	6.50

Relations														
Faulty Equipment/Material/Workmanship (Pumps/Tow Line, etc.)	6	2	9	6	3	9	20	2	6	6	2	9	12	6.46
Human Rights Complaints/Age discrimination issues	4	8	8	8	6	9	20	2	6	6	1	6	4	6.39
Fiduciary Duty	8	3	8	12	10	8	1	3	4	6	3	12	6	6.21
Issues related to dealing with children (Prevention)	6	3	8	8	10	8	3	3	4	3	8	10	4	6.12
Defamation of Character/Slander	4	4	8	6	12	6	9	2	2	4	4	9	6	5.80
Highway Hazards	2	2	6	4	9	9	20	6	3	2	2	12	4	5.75
Environmental Pollution – Personal Injury	6	3	8	6	2	12	9	4	2	2	2	12	12	5.75
Error in Valuation	6	2	9	6	2	9	16	3	4	8	3	9	1	5.63
Wrongful disenrolment of a member	4	4	4	6	9	6	9	2	2	4	3	12	9	5.47
Embarrassment	6	3	6	6	4	9	12	4	1	4	2	8	6	5.31
Civil Lawsuits (long term injuries – back problems from operating FRC)	6	6	12	12	12	2	4	4	1	3	6	1	6	5.27
Wrongful Dismissal	6	2	2	8	3	6	5	1	4	6	2	15	9	5.23
Criminal lawsuits	4	4	4	8	3	6	3	4	2	6	4	6	12	5.21
Fraud	4	9	4	6	6	6	16	1	2	9	1	6	4	5.15

Arson/Fire Risk	8	3	8	3	2	4	3	4	2	1	10	12	6	4.97
Breach of Insurance	4	6	2	4	6	8	6	2	4	3	4	12	4	4.97
Geophysical Risk	4	1	6	3	6	8	2	6	6	1	2	12	12	4.95
Bank accounts liabilities (CCGA-Q/Societies)	4	3	6	6	2	2	6	1	1	2	6	12	12	4.36
Overloading CCGA volunteers with work as a result of CCG downsizing and/or reduction in service.	3	6	12	4	1	9	4	2	2	4	2	9	2	4.30
Vessel/Equipment Donated to CCGA (seaworthiness/reliability/improper upgrade), Stability Issues	9	2	4	6	2	4	2	2	1	2	3	16	9	4.26
Sabotage/Vandalism/Malicious Damage	2	2	6	4	3	2	9	1	2	6	12	2	6	4.17
Environmental Pollution	4	1	8	2	3	6	9	4	2	2	2	6	6	4.08
Misappropriation Of Funds	2	2	6	6	12	4	4	1	2	4	3	8	2	3.98
Pleasure Craft Safety Check Program	6	2	8	3	3	1	8	1	1	6	2	6	6	3.71
Public Training (Simulator/SVOP/First Aid, etc)	2	4	3	2	6	1	1	1	1	1	2	3	3	2.22

3.4 Insurance Coverage

Of the 43 risks identified, 19 risks are fully covered, eight are partially covered, and two that could be partially insured but are not.

3.4.1 CCGA Risks That Are Insurable but not Fully Covered

The table below shows the insurable risks that are not covered or only partially covered along with their risk ratings. These risks are rated as being at a medium level of risk and controlled.

Risk	Insurable		Insured			Risk Rating
	Yes	Partially	Yes	No	Partially	
Wrongful Dismissal		X			X	5.23
Fiduciary Duty	X				X	6.21
Issues related to dealing with children (Prevention)		X		X		6.12
Groundings/Stranding/ Collisions	X				X	8.07
Sabotage/Vandalism/ Malicious Damage		X			X	4.17
Improper Behavior	X				X	6.97
Improper protection of personal information (SMS Database)	X			X		7.15
Arson/Fire Risk	X				X	4.97
Environmental Pollution – Personal Injury	X	X			X	5.75

The most severe risk deals with groundings, strandings, collisions, and the impact on the SAR case if the vessel was unable to respond. As this risk is only partially covered, the question becomes "Are there enough controls in place to make this risk acceptable?"

Insurance Comments:

If a tasked vessel is damaged then coverage is provided under the Hull & Machinery policy.

Referring to "a more serious event" does not mean it will result in bodily injury or property damage as another vessel may be tasked and successfully complete the SAR operation. If a unit is not responding then there is no coverage under the policy.

If the actual rescue results in personal injury or property damage to a third party (or alleged personal injury or property damage) and a claim is made, the Protection & Indemnity policy should respond and defend.

3.5 Insured Risks

The table below shows the risks that are insured and their risk ratings. CCGA and CCG HQ may wish to review the deductible levels of some of the lower rated risks. The issue in question is if the level of risk is low and the amount of mitigation/controls are reasonable, does this activity need to be covered or can the deductibles be increased?

A suggested review of existing mitigation measures may identify improvements to some of the risk scenarios. Once implemented, the improvements could allow the risk rating of some of the activities to become lower, which in turn may lead to lower premiums or the acceptance of higher deductibles.

Risk Scenario	Risk	Insured
Towing	10.07	Yes
Error or inaction of Volunteer	9.05	Yes
Injuries to Crew	8.65	Yes
Mishandling Injured or collisions with persons in the water	8.25	Yes
Tasking Beyond Capability (or Endurance)	8.01	Yes
Alcohol served at CCGA Functions	7.95	Yes
Loss of Earnings	7.81	Yes
Lack/Absence of Proper Training	7.28	Yes
Lack of suitable SAR specific equipment preventing CCGA to accomplish its SAR mission effectively	6.97	Yes
Erroneous Advice	6.86	Yes
Human Rights Complaints/Age discrimination issues	6.39	Yes
Defamation of Character/Slander	5.80	Yes
Highway Hazards	5.75	Yes
Error in Valuation	5.63	Yes
Wrongful disenrolment of a member	5.47	Yes
Fraud	5.15	Yes
Environmental Pollution	4.08	Yes
Misappropriation Of Funds	3.98	Yes
Pleasure Craft Safety Check Program	3.71	Yes

4 RBAF/RMAF

The Results Based Accountability Framework (RBAF) and Risk Management Accountability Framework (RMAF) were joined into one document for the last Treasury Board Review. This document is being updated using the risk scenarios from this exercise and the new performance measurement targets from the

Management Resource Results Structure (MRRS). As there is still some work to do on the preparation of the RMAF/RBAF it will be distributed at a later date. Some of this work will be based on input from the National meeting in March.

5 Recommendations

5.6 Dialogue on Risk Scenarios

It is recommended that CCGA and CCG start joint discussions on the higher rated National and Regional risk scenarios (Tables 3.1.1 to 3.1.7). This will lead to a better understanding of each other's perspective on the risks and may result in the development of mitigating methods to the current risks.

The CCGA is encouraged to share the results of this exercise with their members.

5.7 Insurance Coverage

Of the 43 risk scenarios, only 23 are insurable. Of those that could be insured, two are not and seven are only partially covered (See section 3.2.1). The risks in section 3.2.1 are all rated as managed or medium level risks (Yellow). While the risks in section 3.2.2 (fully insured) range from low to medium high in their severity.

The CCGA and CCG HQ are encouraged to review the need for insurance and the deductible levels on these items.

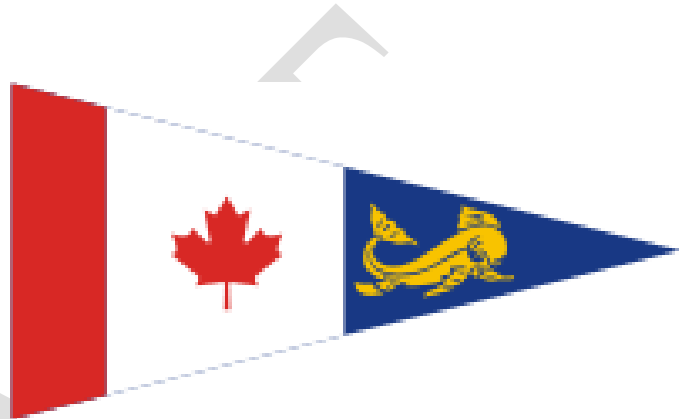
Appendix "A"

Risk Summary Sheets

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CCGA Risk Analysis 2010

**CCG Auxiliary Risk Summary Sheets
Insurance and Exposure Exercise**



**October 15 - 16, 2010
Victoria, British Columbia**

Risk Name: Error in Valuation								
Risk Statement: There is a risk that an error in the declared valuation of a CCGA vessel could result in a CCGA member not being reimbursed enough money as a result of the total loss of their vessel causing the disgruntled member to sue the CCGA for losses.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
Yes	Yes	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Admin – 1		CCGA	9	2	16	4	3	1
Notes:		CCG	6	2	6	9	3	8
<u>Insurance Comments:</u>								
<p>Clause 6 of the Hull & Machinery policy stipulates that “The Insured is not to be prejudiced by any unintentional or inadvertent omissions, error, incorrect valuation or incorrect description of interest, risk, vessel, or voyage, provided notice is given to Marsh Canada Limited as soon as practicable on discovery of any such error or omission”.</p> <p>As well the Vessel Valuation clause in the event of a claim in the policy stipulates : “Valuation to be agreed upon between the vessel owner and the CCGA”</p>								
<u>Meeting Comments:</u>								
<p>CCGA Newfoundland & Labrador - We track by asking owner of vessel. If there are changes of more than 10 %, we get proof from the member.</p> <p>CCG HQ – The onus is on the owner of the vessel if they make any changes/additions to their vessel to inform their regional CCGA offices so that the information is on record and can be provided to the insurance brokers. Reminders are placed in the CCGA’s national newsletter “The Auxiliarist” as well as reminders are placed in regional newsletters.</p>								

Risk Name: Wrongful Dismissal								
Risk Statement: The wrongful dismissal of a CCGA employee could result in a lawsuit against the CCGA causing negative publicity that could harm the public's perception of the CCGA.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
Partially	Partially	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Admin-2		CCGA	2	3	5	4	2	9
Notes:		CCG	6	2	8	6	1	6
Insurance Comments:								
The Directors and Officers Liability provides coverage for the wrongful dismissal of a CCGA employee. There is no coverage for negative publicity.								
Meeting Comments:								
CCGA HQ - Clarified that an employee of CCGA is an employee not a volunteer.								
CCGA – This question has two parts. First concerns harassment. The second is wrongful dismissal. These are two different issues. A discussion took place on whether the statement needed defining.								
Risk HQ - Ian clarified cash is cash. He indicated to all participants that the values are on the heat maps provided.								
- All understood and in agreement with clarification.								

Risk Name: Breach of Insurance									
Risk Statement: There is a risk that a CCGA member could file a fraudulent insurance claim causing legal action, or breach of insurance that may result in increased insurance premiums or cancellation of insurance.									
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating						
No	No	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec	
Risk ID: Admin-3		CCGA	2	6	6	4	4	4	
Notes:		CCG	4	6	4	8	2	3	12
<u>Insurance Comments:</u>									
Should a member make a fraudulent claim against the Hull & Machinery policy for example and this is uncovered, the claim would be denied and likely charges would be laid against that member by the Insurers. It is unlikely that unless there is collusion with the CCGA itself, that the program would be impacted to the point of cancellation of the insurance unless the Insurers perception of the risk has deteriorated severely. The premiums are mostly impacted by the actual loss ratio of the account and by market conditions.									
<u>Meeting Comments:</u>									
No comments.									

Risk Name: Poor Record Keeping								
Risk Statement: There are risks that a CCGA member/employee may not maintain competent records causing: <ul style="list-style-type: none"> · The JRCC/MRSC being unable to contact a CCGA Unit during a SAR incident. · Poor financial records could result in excessive audits and reviews. · Inaccurate statistics could result in increased insurance premiums. 								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
No	No	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Admin - 4		CCGA	4	12	2	4	9	4
Notes:		CCG	6	4	12	12	3	12
<u>Insurance Comments:</u>								
It is true that the insurance premiums are based on the information provided, should the CCGA become aware of a major error in the information provided at the time of the renewal they can advise Marsh and we will address with the Insurers for consideration, also the Errors and Omissions clause would respond if required.								
<u>Meeting Comments:</u>								
No comments.								

Risk Name: Fiduciary Duty								
Risk Statement: There is a risk that by not performing or meeting their Corporate Fiduciary responsibilities, it could result in loss of corporate standing, fines and/or penalties and loss of public faith.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
Yes	Partially	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Admin-5		CCGA	8	10	1	4	3	6
Notes:		CCG	8	3	12	8	3	6
<u>Insurance Comments:</u>								
Fiduciary taken here in its legal sense and the Directors and Officers policy provides a certain amount of coverage if a claim is made and the allegation(s) in the claim fall under the parameters of coverage afforded by the policy, but note that fines and penalties are not covered by Director & Officer policies.								
<u>Meeting Comments:</u>								
CCGA National Steve Troy - If you don't meet your fiduciary responsibilities you can go to jail and your corporation can get cancelled.								

Risk Name: Wrongful disenrolment of a member									
Risk Statement: There is a risk that the wrongful disenrolment of a member may cause other members to resign and/or negative publicity.									
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating						
Yes	Yes	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec	
Risk ID: Admin-6		CCGA	4	9	9	2	3	9	
Notes:		CCG	4	4	6	6	2	4	12
<u>Insurance Comments:</u>									
Coverage may be available under the Directors and Officers Liability policy if a claim is brought forward, depending of the allegations made.									
<u>Meeting Comments:</u>									
CCGA HQ – Malcolm explained that it sometimes happens, if you kick the wrong guy out of the CCGA that person campaigns for others to quit as well.									

Risk Name: CCG downloading of administrative services to CCGA								
Risk Statement: There is a risk that if CCG reduces administrative related services or adds new requirements it would cause an administrative work load situation for the CCGA members and would thus impact on the CCGA's ability to meet various management obligations.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
No	No	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Admin-7		CCGA	16	20	4	6	4	20
Notes:		CCG	9	9	16	4	6	9
<u>Insurance Comments:</u>								
There is no coverage unless this results in a wrongful act committed which further results in a claim made against the Directors/Officers and is covered by Directors & Officers Liability policy.								
<u>Meeting Comments:</u>								
CCGA Pacific – stated that downloading of administrative services makes it difficult to meet certain legal obligations. It leads to a constant reduction in CCGA services								
Director HQ – Similar to the household example provided by Steve Troy. Costs are going up but income staying fixed. There are regional differences and requirements. There are different needs for training and sea time requirements for different regions. Any downloading can result in an increased reporting workload.								
CCGA Maritimes - Cannot see a problem in the future in Maritimes Region.								

Risk Name: Error or inaction of JRCC/MRSC								
Risk Statement: There is a risk that an error or inaction by JRCC/MRSC could result in delayed tasking of a CCGA vessel, or the tasking of a CCGA vessel to the wrong location causing a delay in the response to an incident.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
No	No	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Op - 1		CCGA	2	12	25	1	1	6
Notes:		CCG	4	3	10	12	8	12
<u>Insurance Comments:</u>								
CCGA insurance program does not extend to JRCC/MRSC. As well there is no coverage if a vessel does not respond or incur a delay in responding to a SAR incident.								
<u>Meeting Comments:</u>								
No comments.								

Risk Name: Error or inaction of Volunteer								
Risk Statement: There is a risk that an error or inaction by a volunteer could cause a myriad of problems that could cause a negative outcome of a SAR incident.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
			NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Yes	Yes	Accepted or Declined						
Risk ID: Op - 2		CCGA	4	6	12	8	3	6
Notes:		CCG	9	12	12	16	8	12
<u>Insurance Comments:</u>								
If this “error or inaction” during a SAR operation causes a personal injury or property damage (or alleged personal injury or property damage) and a claim is made, the Protection & Indemnity policy should respond and defend the member and CCGA.								
<u>Meeting Comments:</u>								
Marsh – Most of the votes are rare/unlikely. Is that because of policies/procedures in place?								
CCGA – Yes.								

Risk Name: Tasking Beyond Capability (or Endurance)								
Risk Statement: There is a risk that a CCGA Unit could be tasked to a SAR incident that is beyond the capability of either the vessel and/or the crew, creating a dangerous situation for the crew.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
Yes	Yes	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Op - 3		CCGA	4	9	6	6	20	4
Notes:		CCG	12	3	6	12	8	6
<u>Insurance Comments:</u>								
<p>Just creating a dangerous situation will not trigger the policy to respond, if when doing the rescue this results in personal injury or property damage to a third party (or alleged personal injury or property damage) and a claim is made, the Protection & Indemnity policy should respond and defend the member and the CCGA.</p> <p>If a crew member is injured while performing duties related to the CCGA, then the accident policy may respond</p>								
<u>Meeting Comments:</u>								
<p>Risk HQ- What controls do you have in place?</p> <p>CCG Quebec –The Rescue Centre assesses the CCGA SAR unit correctly and then the onus is on CCGA to say whether they are capable or not. It is always the responsibility of the master of the vessel to decline or accept the tasking.</p> <p>CCGA Maritimes - Gary Masson - If we do not accept the risk then we do not accept any SAR cases. We accept risks all the time. Yes, it is our responsibility to decline a tasking, but there is always a risk when we accept a case. Some crews only get calls once every two years. They are going to go on a tasking even if they push it a bit beyond capabilities as they might not get another chance.</p>								

CCG HQ – Surprised to see the scoring that high. JRCC has the ability to view the capabilities of the vessels. If the tasking is beyond the capability of the CCGA they can decline the tasking. Still do not agree it is so high. Never heard of any cases where they do this. Not hearing of any cases of any CCGA that were tasked beyond their capability and turned back.

CCG – A comment was made that JRCC doesn't always have sufficient time to analyze each incident in minute detail to determine if CCGA is capable or not. The controller may not know the whether conditions in the area. There are too many variables. The onus has to be on the master of the CCGA vessel to accept or decline the tasking. They can always make an attempt then turn back.

Steve Troy – What is going on behind the scenes here is that things don't always get reported.

CCGA Pacific - Put on controls and mitigate - do not go if you don't have capability.

CCG Maritimes - Have as SAR coordinator had to turn back a vessel because I tasked them beyond their capabilities.

Director HQ – JRCC/MRSC know what the vessels can handle but people are still going out when it is beyond their capability.

Risk Name: Lack/Absence of Proper Training									
Risk Statement: There is a risk that the lack or absence of proper training could negatively affect the response to a SAR incident.									
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating						
Yes	Yes	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec	
Risk ID: Op - 4		CCGA	4	6	1	8	8	9	
Notes:		CCG	6	6	12	12	6	4	15
<u>Insurance Comments:</u>									
If when attempting or proceeding with the rescue this results in personal injury or property damage to a third party (or alleged personal injury or property damage) and a claim is made, the Protection & Indemnity policy should respond and defend the member and the CCGA.									
<u>Meeting Comments:</u>									
No comments.									

Risk Name: Human Rights Complaints/Age discrimination issues								
Risk Statement: There is a risk that the CCGA could be served with a human rights or age discrimination complaint causing; negative publicity, legal action, or harm to the public's perception of the CCGA.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
Yes	Yes	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Op - 5		CCGA	8	6	20	6	1	4
Notes:		CCG	4	8	8	9	2	6
<u>Insurance Comments:</u>								
Coverage may be available under the Directors and Officers Liability policy if a claim is brought forward, depending of the allegations made.								
<u>Meeting Comments:</u>								
No comments.								

Risk Name: Issues related to dealing with children (Prevention)									
Risk Statement: There are risks associated with adult CCGA members interacting with children that could cause; legal action against the CCGA, negative publicity, or harm the public's perception of the CCGA.									
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating						
Limited availability	No	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec	
Risk ID: Op - 6		CCGA	8	10	3	4	8	4	
Notes:		CCG	6	3	8	8	3	3	10
<u>Insurance Comments:</u>									
Abuse is excluded under your Commercial General Liability policy.									
<u>Meeting Comments:</u>									
CCGA Quebec - Impact can be high but likelihood not very probable. There are criminal checks and background checks in place to prevent it or make sure it does not happen.									

Risk Name: Risk of conflict between CCG and CCGA due to overlapping operational areas of responsibility.								
Risk Statement: There is a risk that overlapping operational areas responsibility could cause conflict between the CCGA and crews of CCG vessels thus straining the CCG/CCGA relationship.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
No	No	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Op – 7		CCGA	9	25	25	2	6	4
Notes:		CCG	6	2	9	16	2	12
<u>Insurance Comments:</u>								
Not an insurance issue.								
<u>Meeting Comments:</u>								
CCG – Need clarification as did not know there was a conflict between operational areas of responsibility.								
CCGA HQ Francois – Issue with tasking of CCGA and IRB units. Issues with CCG getting angry that CCGA taking calls as it diminishes overtime etc.								
Director HQ – Does this resonate with all regions? We will be reviewing the top ten risks so everyone understands what they are here for and what they are scoring. This exercise is serving two purposes for the CCGA, insurance and risks. Sounds like this is happening in Maritimes, Pacific and Central & Arctic.								
Risk HQ- This information goes towards a spreadsheet to determine whether issues/risk/things are insured or not.								
CCGA Pacific – Good crews are the ones that get calls all the time. But others don't get calls and need to practice to keep skills current and they are not happy. Keep telling JRCC to call us anyhow to get practice. If CCG clearly defines if we want CCGA in certain areas then we know where the line is.								

CCGA Maritimes – Gary Masson – Some members are not getting tasked and whereas in other areas it is the opposite, they are tasked all the time. Some members see themselves as providing a primary SAR service in their location and CCG sees them as secondary.

CCGA - We don't know where you want us to be. CCGA needs clarification as to where you want us to recruit.

CCG Quebec – Perhaps we should consider giving every 4th or 5th tasking to the CCGA. In the summer there is enough business for all.

DRAFT

Risk Name: Overloading CCGA volunteers with work as a result of CCG downsizing and/or reduction in service.									
Risk Statement: There is a risk that if CCG reduces services it would cause a work overload situation for the CCGA members and would thus impact on the CCGA's ability to respond to SAR incidents and put them at higher risk of accidents.									
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating						
No	No	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec	
Risk ID: Op-08		CCGA	12	1	4	2	2	2	
Notes:		CCG	3	6	4	9	2	4	9
<u>Insurance Comments:</u>									
If CCGA does not respond to an incident there is no coverage. Note that an increase in frequency of claims will impact the premiums charged for the various policies and ultimately could put the program in jeopardy.									
<u>Meeting Comments:</u>									
Risk HQ– Is there something more on CCG than CCGA for controls? Controls? How to mitigate? What do we mean by downsizing etc?									
All agreed that there was a misunderstanding in the wording of the risk statement and agreed to separate the statement into two risk statements.									
<u>Administrative</u>									
There is a risk that if CCG reduces administrative related services or adds new requirements, it would cause an administrative workload situation for the CCGA members and would thus impact on the CCGA's ability to meet it various management obligations.									
<u>SAR Taskings</u>									
There is a risk that if CCG reduces services it would cause a work overload situation for the CCGA members and would thus impact on the CCGA's ability to respond to SAR incidents and put them at higher risk of accidents.									

It was noted that the scores were very close between CCG & CCGA.

Director HQ – Similar to the household example from Troy. Costs are going up but income staying fixed.

Director HQ – What I am hearing is that downloading administrative work is impacting your ability for SAR incidents. Not what I have heard as you are still going out and doing SAR cases, not stopping because you have to fill out a form.

Steve Troy - Total contribution of stuff from fuel going up, to downsizing and higher expectations. This is more of a CCG voting issue. Anything not done by CCG adds up on CCGA as an extra tasking. Have not increased CCGA staff for administrative functions. From CCGA point of view it translates into extra tasking. It will go red because there is no relief. That is the way it is going to go if there is no relief.

CCGA – It does not matter what we say, recruiting has gone down. We have been moving older volunteers into non operational positions. There is a dilemma between continuing to get numbers to rising number of calls, lessening of funding, volunteers reluctant to take calls.

CCGA Pacific - Cannot meet legal obligations when there is a constant reduction in service.

Risk Name: Mishandling Injured or collisions with persons in the water								
Risk Statement: There is a risk that a CCGA member may cause further injury to a SAR victim during an authorized activity that may lead to legal action or negative publicity.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
Yes	Yes	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Op-09		CCGA	6	8	6	6	8	12
Notes:		CCG	9	4	8	16	6	12
<u>Insurance Comments:</u>								
If this results in personal injury or property damage to a third party (or alleged personal injury or property damage) and a claim is made, the Protection & Indemnity policy should respond and defend the member and the CCGA. No coverage for negative publicity								
<u>Meeting Comments:</u>								
No comments.								

Risk Name: Towing								
Risk Statement: There is a risk that during a towing operation an accident could occur causing injuries to the crew or members of the public or damage to the vessels.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
Yes	Yes	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Op-10		CCGA	6	8	16	8	16	6
Notes:		CCG	12	9	8	12	6	12
<u>Insurance Comments:</u>								
<p>If this results in personal injury or property damage to a third party (or alleged personal injury or property damage) and a claim is made, the Protection & Indemnity policy should respond and defend the member and the CCGA.</p> <p>If a crew member is injured while performing duties related to CCGA, then the accident policy may respond.</p>								
<u>Meeting Comments:</u>								
<p>Risk HQ- Do you all have procedures and guidelines on towing etc?</p> <p>CCGA - Yes.</p> <p>Risk HQ- What do you do to keep it under control?</p> <p>CCGA HQ – Provide training, sign waivers, turn the tow over to a private towing company, there are towing procedures in place.</p> <p>CCG HQ - Cannot see the scoring that high for towing. Training is provided to members on towing techniques, proper procedures, precautions to take and risks to look out for.</p>								

CCG Quebec – Our mitigation is through training and transferring the tow to commercial vessels if it is safe to transfer the tow. Main thing is training about how to tow.

Marsh - Focusing too much on value and money. Marsh went on to give an examples of a company that starts out a low number value but once add on media, shutting down etc the scores start to add up.

Director HQ– Have invited fleet for safety practices and etc to talk. Have clear incidents where we do not tow. Have training, identify clear situations when we can/cannot tow. Training for tow, for non professional mariners, training for them to follow best practices. Do we have similar process in place?

CCGA Pacific – We assess people’s performance as to whether they can they tow and whether they are trained. We have extensive training materials. We have sent out our safety manager to inspect all units. Pushing for funding towards safety management. Have to practice and train. Safety management is do they have the training and do they practice it.

CCGA Newfoundland & Labrador – Part of getting marine certification is learning how to tow for our trained mariners.

Risk Name: Erroneous Advice								
Risk Statement: There is a risk that during a SAR operation a CCGA member could provide erroneous advice to the crew of a vessel in distress causing injury or damage to the distressed vessel.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
Yes	Yes	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Op- 11		CCGA	4	12	8	6	4	12
Notes:		CCG	4	3	6	8	4	9
<u>Insurance Comments:</u>								
If this results in personal injury or property damage to a third party (or alleged personal injury or property damage) and a claim is made, the Protection & Indemnity policy should respond and defend the member and the CCGA.								
<u>Meeting Comments:</u>								
No comments.								

Risk Name: Groundings/Stranding/Collisions								
Risk Statement: There is a risk of collision, grounding, or stranding of the CCGA vessel during an authorized activity preventing the Auxiliary unit from responding to an incident and/or causing it to escalate into a more serious event.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
			NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Yes	Partially	Accepted or Declined						
Risk ID: Op - 12		CCGA	6	12	16	3	8	4
Notes:		CCG	6	12	10	6	6	12
<u>Insurance Comments:</u>								
<p>If a tasked vessel is damaged then coverage is provided under the Hull & Machinery policy. Referring to “a more serious event” does not mean it will result in bodily injury or property damage as another vessel may be tasked and successfully complete the SAR operation. If a unit is not responding then there is no coverage under the policy. If the actual rescue results in personal injury or property damage to a third party (or alleged personal injury or property damage) and a claim is made, the Protection & Indemnity policy should respond and defend.</p>								
<u>Meeting Comments:</u>								
<p>Clarification was provided concerning the risk statement. What was scored was the impact on the SAR case if the Auxiliary vessel was unable to respond.</p>								

Risk Name: Injuries to Crew								
Risk Statement: There is a risk that a CCGA member may be injured during an authorized activity causing it to escalate into a more serious event.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
Yes	Yes	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Op-13		CCGA	6	9	20	9	6	12
Notes:		CCG	12	6	12	4	3	6
<u>Insurance Comments:</u>								
<p>If this results in personal injury or property damage to a third party (or alleged personal injury or property damage) and a claim is made, the Protection & Indemnity policy should respond and defend the member and the CCGA.</p> <p>If a crew member is injured while performing duties related to CCGA, then the accident policy may respond</p>								
<u>Meeting Comments:</u>								
<p>CCGA HQ Francois – Looking at frequency and severity of injuries to crew. Looking at claim history – most claims are for people getting hurt during training. Wonder if the number is not underestimating the risk or frequency.</p> <p>CCGA HQ - We have about 4-5 injuries per year.</p> <p>CCG HQ – There were about 4-6 injuries for all activity hours last year. Seems most happened during exercises and on Fast Rescue Craft. Excessive speed was often considered a contributing factor. Often when these accidents occur we find out the crewperson often had less than six months experience...one accident out of 20000 hours is not a lot.</p> <p>CCG Pacific – If accidents happen then look into mitigating strategies after each case. If something can be improved then we do it after each case. Will have a look at it and do something about it</p>								

CCGA - Have safety inspector go out and make recommendations.

CCG Newfoundland & Labrador – We have Ministry of Health and Safety conduct an inspection every time. Have protocols and safety procedures in place.

CCGA Maritimes - Have standing orders that a safety inspector will do a check. Have policies in place to inspect if something happens.

Director HQ- Looking at risk statement again – includes all training, SAR activities... established baseline for training 96 000, add another 10,000. Agree there are injuries that are not reported. We are voting on serious ones that are reported. Hearing each region has a safety officer that looks after investigation and have professional body to investigate is encouraging. Do we need to go further than that?

CCGA HQ – Commented they believe it is well mitigated.

CCGA HQ-Francois – Most Auxiliary do not have equipment to pull someone out of water onto a large boat. Should look for or design piece of equipment that would facilitate pulling people out of the water. Lack of proper equipment. Mitigate by training and equipment.

A discussion took place regarding the wording of the risk statement and it was agreed to include a new risk statement.

The Following new risk statement was added.

There is a risk that the lack of SAR Specific equipment preventing CCGA to accomplish its SAR mission effectively.

Risk Name: Faulty Equipment/Material/Workmanship (Pumps/Tow Line, etc.)								
Risk Statement: There is a risk that improper maintenance, or the unavailability of certain types of equipment will prevent an Auxiliary unit from responding to an incident causing it to escalate into a more serious event.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
			NCR	Pacific	Maritimes	NFLD	C&A	Quebec
No	No	Accepted or Declined						
Risk ID: Op-14		CCGA	9	3	20	6	2	12
Notes:		CCG	6	2	6	9	2	6
<u>Insurance Comments:</u>								
There is no coverage if a unit is not able to respond to a SAR call								
<u>Meeting Comments:</u>								
Risk HQ- Do you have defined maintenance schedules?								
CCGA Quebec - We have one communal schedule but not on every vessel.								

Risk Name: Loss of Earnings								
Risk Statement: There is a risk that a CCGA member might become injured while working on a vessel or during an incident resulting in their inability to perform their employment duties causing a potential lawsuit with the CCGA/CCG.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
Yes	Yes	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Op-15		CCGA	6	9	12	8	6	6
Notes:		CCG	6	6	8	6	8	12
<u>Insurance Comments:</u>								
An accident policy is in place to cover injury to members occurring during an authorized activity, provided the member is performing volunteer duties related to the CCGA. Should the member decide to also bring a lawsuit against CCGA, the General Liability policy may respond depending of the circumstances and the Protection & Indemnity policy may respond on an excess basis.								
<u>Meeting Comments:</u>								
Marsh – Suggested that participants consider for ranking impact, look at how bad it could it get and then reevaluate as to whether the insurance is adequate enough. Look at the risk without controls, in terms of no insurance and then go back and look at with insurance.								

Risk Name: Highway Hazards								
Risk Statement: There is a risk that a CCGA member may be involved in a traffic accident while proceeding to an authorized activity or incident causing it to escalate into a more serious event.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
Yes	Yes	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Op-16		CCGA	6	9	20	3	2	4
Notes:		CCG	2	2	4	9	6	2
<u>Insurance Comments:</u>								
The Volunteer Accident insurance policy provides coverage for members while traveling to and from authorized activities. In this case, the policy may respond for the injured member.								
<u>Meeting Comments:</u>								
Risk HQ- Ian lead an Impact/Likelihood discussion and explained that a risk could have a low impact but high likelihood. As well Ian clarified to Marsh how we score risks.								

Risk Name: Sabotage/Vandalism/Malicious Damage								
Risk Statement: There is a risk that a CCGA owned vessel or CCGA asset could be damaged through sabotage, vandalism or malicious damage placing the vessel out of service preventing the unit from responding to an incident.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
Partially	Partially	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Op-17		CCGA	6	3	9	2	12	6
Notes:		CCG	2	2	4	2	1	6
<u>Insurance Comments:</u>								
CCGA vessel and equipment are covered under the Hull and Machinery policy for these type of damages. There is no coverage if a unit does not respond to an incident								
<u>Meeting Comments:</u>								
Marsh- Are there very few incidents across country?								
CCGA - Yes, very few.								

Risk Name: Lack of suitable SAR specific equipment preventing CCGA to accomplish its SAR mission effectively								
Risk Statement: There is a risk that a lack of suitable SAR specific equipment could prevent the CCGA from accomplishing SAR missions in an effective manner.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
Yes	Yes	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Op-18		CCGA	9	10	9	2	2	12
Notes:		CCG	6	6	9	9	4	4
<u>Insurance Comments:</u>								
If the SAR operation results in personal injury or property damage to a third party (or alleged personal injury or property damage) and a claim is made, the Protection & Indemnity policy should respond and defend the member and the CCGA.								
<u>Meeting Comments:</u>								
CCGA HQ-Francois – Most Auxiliary do not have equipment to pull someone out of water onto a large boat. Should look for or design piece of equipment that would facilitate pulling people out of the water. Lack of proper equipment. Mitigate by training and equipment.								
Clarification was required regarding the wording of the risk statement and it was subsequently re-scored.								

Risk Name: Poor Public Relations								
Risk Statement: There is a risk that the actions/inactions of a CCGA member could jeopardize or hamper fundraising efforts.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
No	No	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Fund - 1		CCGA	6	15	9	2	1	12
Notes:		CCG						
<u>Insurance Comments:</u>								
Not an insurable risk								
<u>Meeting Comments:</u>								
No Comments.								
Note: This statement was only scored by Auxiliary								

Risk Name: Fraud								
Risk Statement: There is a risk of a CCGA member/employee committing fraud that could result in lawsuits against the CCGA and/or its Board of Directors.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
Yes	Yes	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Pur - 1		CCGA	4	6	16	2	1	4
Notes:		CCG	4	9	6	6	1	9
<u>Insurance Comments:</u>								
Only fraud committed by an employee (or president, vice president or secretary/treasurer) is covered under the crime policy of the CCGA, this does not cover lawsuit that could result from a fraud, who would sue? The party that will be suffering a loss in a fraud situation would be the CCGA and they can recover under the crime policy.								
<u>Meeting Comments:</u>								
No comments.								

Risk Name: Misappropriation of Funds								
Risk Statement: There is a risk of a CCGA member or employee misappropriating funds resulting in a funding shortfall for the CCGA.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
Yes	Yes	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Pur - 2		CCGA	6	12	4	2	3	2
Notes:		CCG	2	2	6	4	1	4
<u>Insurance Comments:</u>								
Only fraud committed by an employee (or president, vice president or secretary/treasurer) is covered under the crime policy of the CCGA.								
<u>Meeting Comments:</u>								
Marsh- Explained to participants that they should think in terms if this risk were to happen in their regions.								
CCGA Quebec - The risk is not there because there are procedures in place to ensure that it does not happen.								
CCG Pacific - Explained it does and can happen. Yes, controls are in place, but it does happen occasionally.								
Marsh – Explained that even though there are controls and checks in place, it still happens. That is why we suggest separating impact/likelihood.								
All agreed that the cost for scoring purposes was between \$100K - \$1M.								

Risk Name: Vessel/Equipment Donated to CCGA (seaworthiness/reliability/improper upgrade), Stability Issues								
Risk Statement: There are risks associated with vessels/equipment donated to the CCGA that could result in a funding shortfall to the CCGA.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
			NCR	Pacific	Maritimes	NFLD	C&A	Quebec
No	No	Accepted or Declined						
Risk ID: Pur - 3		CCGA	4	2	2	1	3	9
Notes:		CCG	9	2	6	4	2	16
<u>Insurance Comments:</u>								
Not an insurable risk								
<u>Meeting Comments:</u>								
No comments.								

Risk Name: Bank accounts liabilities (CCGA-Q/Societies)								
Risk Statement: There is a risk that a CCGA Unit or society could open a bank account in the name of the regional CCGA Corporation resulting in an unknown financial liability or encumbrance imposed on the regional Auxiliary Corporation.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
No	No	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Pur - 4		CCGA	6	2	6	1	6	12
Notes:		CCG	4	3	6	2	1	2
<u>Insurance Comments:</u>								
Not insurable in a sense that the bank obligation cannot be insured. If a bank has not done its due diligence in the process than I am not sure how the CCGA can be held responsible for the payment of those loans? Are Societies separate legal entities?								
<u>Meeting Comments:</u>								
CCG Quebec - Is this possible?								
National HQ CCGA – It was explained that people in the past have opened bank accounts saying they were CCGA and no questions were asked. Regions do not know about the opened accounts that are still open in their name. If a unit opens an account, gets a loan and does not reimburse a loan to the bank, the loan bounces back on CCGA desk.								

Risk Name: Civil Lawsuits (long term injuries – back problems from operating FRC)								
Risk Statement: There are risks associated with operation of fast rescue craft that could result in personal injuries to CCGA members.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
No	No	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: URA - 1		CCGA	12	12	2	1	6	6
Notes:		CCG	6	6	12	2	4	3
<u>Insurance Comments:</u>								
Long term injuries as described are not covered by the existing accident insurance policy.								
<u>Meeting Comments:</u>								
No comment.								

Risk Name: Criminal lawsuits								
Risk Statement: There are risks associated with criminal behaviour of a CCGA member that may lead to legal action or negative publicity.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
No	No	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: URA – 2		CCGA	4	3	3	2	4	12
Notes:		CCG	4	4	8	6	4	6
<u>Insurance Comments:</u>								
Not an insurable risk								
<u>Meeting Comments:</u>								
MARSH – Clarified and gave examples of this risk. An executive of a corporation is charged or found guilty of a crime and the CCGA’s name comes up in the media. How quickly are you able to respond to such an incident?								
CCG Quebec - Gave example of a fisherman caught illegally fishing and was also a CCGA member.								
CCG HQ - Provided an example of a Auxiliary member who shone a searchlight in the wheelhouse of a passing freighter on the Detroit River. The member wasn’t on an authorized activity but was part of the CCGA and therefore dis-enrolled the next day.								

Risk Name: Improper Behavior								
Risk Statement: There are risks associated with improper behaviour of a CCGA member that could lead to legal action or negative publicity.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
Yes	Partially	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: URA - 3		CCGA	8	9	12	2	4	12
Notes:		CCG	6	8	6	2	4	12
<u>Insurance Comments:</u>								
Depending on the allegation made in the claim, the Commercial General Liability policy may respond (a claim for libel, slander or defamation of character for example). No coverage for negative publicity.								
<u>Meeting Comments:</u>								
No comment.								

Risk Name: Pleasure Craft Safety Check Program								
Risk Statement: There are risks associated with CCGA members conducting safety checks of pleasure craft that could result in lawsuits against the CCGA and/or its Board of Directors.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
Yes	Yes	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: URA – 4		CCGA	8	3	8	1	2	6
Notes:		CCG	6	2	3	1	6	6
<u>Insurance Comments:</u>								
Depending of the allegation made in the claim the Commercial General Liability policy may respond.								
<u>Meeting Comments:</u>								
Clarification was provided on the wording of the risk statement that the main concern was a CCGA member providing advice to a boater during the vessel check.								

Risk Name: Public Training (Simulator/SVOP/First Aid)								
Risk Statement: There are risks associated with CCGA members delivering training to members of the public that could result in lawsuits against the CCGA and/or its Board of Directors.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
			NCR	Pacific	Maritimes	NFLD	C&A	Quebec
No	No	Accepted or Declined						
Risk ID: URA - 5		CCGA	3	6	1	1	2	3
Notes:		CCG	2	4	2	1	1	3
<u>Insurance Comments:</u>								
<p>This issue has been submitted to the Insurers and refused, it is not the intent of the Insurers to provide coverage for the delivery of training to members of the public, the insurers only cover the risks associated with the training of CCGA members. It is unlikely that any CCGA division will be able to purchase coverage as long as the legal entity delivering the training is the same as the one covered under the program, as any insurer will not want to risk being dragged into a claim for an activity they are not willing to insure.</p>								
<u>Meeting Comments:</u>								
<p>A discussion took place regarding the certification of instructors.</p> <p>The risk statement was scored on the basis of CCGA members providing training to members of the public since police officers firefighters and others are often permitted to take CCGA training courses.</p>								

Risk Name: Alcohol served at CCGA Functions								
Risk Statement: There are risks associated with the serving of alcohol at CCGA functions that could result in lawsuits against the CCGA and/or its Board of Directors as a result of the actions of a CCGA member.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
Yes	Yes	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: URA - 6		CCGA	6	9	9	4	10	8
Notes:		CCG	12	9	12	6	4	3
Insurance Comments:								
The risk associated with the service of alcohol is covered under your General Liability Policy.								
Meeting Comments:								
Marsh provided clarification concerning the serving of alcohol. If you are providing alcohol (by CCGA or CCG) at cost or providing it at no cost, this is what applies from an insurance point of view.								
CCGA Central & Arctic – Can't provide out of contribution funds. But we bring it and provide it. We have a cash bar.								
Marsh explained that vicarious liability still applies. If someone attends an event organized by CCGA where you can buy alcohol or it is provided free CCGA is still implicated because they organized the function.								

Risk Name: Defamation of Character/Slander									
Risk Statement: Slander or defamation of character by a CCGA member could result in lawsuits against the CCGA and/or its Board of Directors.									
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating						
Yes	Yes	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec	
Risk ID: Press - 1		CCGA	8	12	9	2	4	6	
Notes:		CCG	4	4	6	6	2	4	9
<u>Insurance Comments:</u>									
Libel, Slander, Defamation of character claims are covered under the Personal injury extension of your General Liability Policy.									
<u>Meeting Comments:</u>									
No comment.									

Risk Name: Improper protection of personal information (SMS Database)								
Risk Statement: The improper protection of personal information (SMS Database) could result in lawsuits against the CCGA and/or its Board of Directors.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
Yes	No	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Press – 2		CCGA	6	12	12	4	12	6
Notes:		CCG	6	3	12	4	2	6
<u>Insurance Comments:</u>								
This type of insurance is currently not purchased by the CCGA.								
<u>Meeting Comments:</u>								
CCGA HQ – Mentioned to participants to think not just of the SMS database but to think of all ways you store information.								
Marsh elaborated on the importance of protecting personal information and that it is becoming more and more important in today's world.								

Risk Name: Embarrassment								
Risk Statement: There is a risk that the actions of a CCGA member could embarrass a member of parliament that could harm the public's perception of the CCGA.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
No	No	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Com – 1		CCGA	6	4	12	1	2	6
Notes:		CCG	6	3	6	9	4	4
<u>Insurance Comments:</u>								
Not insurable at first glance, if this result in a claim, all would depends of the allegations made in the statement of claim.								
<u>Meeting Comments:</u>								
A discussion took place on whether or not this could happen.								

Risk Name: Arson/Fire Risk								
Risk Statement: There is a risk of fire associated with the operation of a CCGA vessel that could result in the vessel not being able to respond to a SAR incident.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
Yes	Partially	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Expo – 1		CCGA	8	2	3	2	10	6
Notes:		CCG	8	3	3	4	4	12
<u>Insurance Comments:</u>								
The loss of a CCGA vessel by fire is covered by the Hull and Machinery policy. There is no coverage if a unit is not able to respond to a SAR incident.								
<u>Meeting Comments:</u>								
No comment.								

Risk Name: Geophysical Risk								
Risk Statement: There are environmental risks that could result in the vessel not being able to respond to a SAR incident.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
No	No	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Expo - 2		CCGA	6	6	2	6	2	12
Notes:		CCG	4	1	3	8	6	1
<u>Insurance Comments:</u>								
There is no coverage if a unit is not able to respond to a SAR incident								
<u>Meeting Comments:</u>								
Clarification was provided that the risk statement was only referring to CCGA vessels.								

Risk Name: Environmental Pollution									
Risk Statement: There are risks associated with the operation of a CCGA vessel that could result in environmental pollution.									
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating						
Yes	Yes	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec	
Risk ID: Expo – 3		CCGA	8	3	9	2	2	6	
Notes:		CCG	4	1	2	6	4	2	6
<u>Insurance Comments:</u>									
This is covered under the Protection & Indemnity policy.									
<u>Meeting Comments:</u>									
No comment.									

Risk Name: Environmental Pollution – Personal Injury								
Risk Statement: There are risks that a CCGA member may become exposed to a chemical pollutant when responding to a SAR incident that may cause personal injury to the crew.								
Insurable:	Is it Insured?	Insurance Accepted or Declined?	Risk Rating					
Yes, Partially	Partially	Accepted or Declined	NCR	Pacific	Maritimes	NFLD	C&A	Quebec
Risk ID: Expo - 4		CCGA	8	2	9	2	2	12
Notes:		CCG	6	3	6	12	4	2
<u>Insurance Comments:</u>								
<p>In the event that the member becomes exposed to a chemical pollutant when responding to a SAR incident which causes death, then the accidental death & dismemberment policy may respond. As with any Accidental Death & Dismemberment claim, each situation is judged based on its merits and the information provided and adjudicated accordingly.</p> <p>There is no coverage under the accidental medical portion of the contract for this exposure.</p>								
<u>Meeting Comments:</u>								
<p>CCG HQ – Explained that when the CCGA is tasked to an incident it is not always known what you are getting into. There is always going to be the unknown factor.</p>								

Appendix "B"

CCGA Risk Analysis Process Review – Final Report

Canadian Coast Guard and Canadian Coast Guard Auxiliary

DRAFT

December 17 2010

CCGA Risk Analysis Process Review – Final Report

Canadian Coast Guard and Canadian
Coast Guard Auxiliary

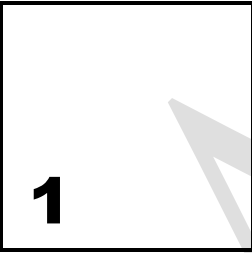
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Executive summary

Marsh Risk Consulting (MRC) was engaged to review and provide input on the risk assessment process, methodology and associated deliverables as well as to provide assistance during the Risk Assessment Workshop. MRC is pleased to provide Canadian Coast Guard (CCG) and Canadian Coast Guard Auxiliary (CCGA) with our findings regarding the Risk Analysis conducted in October 2010. Our comments and suggestions for future improvements of the Risk Analysis Process are outlined in the following report.

Overall CCG and CCGA have an established risk assessment process. We found the assessment process to be sound and allowed participants to assess a broad range of possible risk exposures, understand the context around the risk, the potential impact and likelihood of occurrence as well as existing risk management practices. Risk assessment tools, technology and communication materials effectively supported CCG and CCGA in achieving its desired outcomes. CCG/CCGA facilitators were experienced, well versed in risk assessment and were knowledgeable of the risk exposures enabling them to explain the context around the risk, providing guidance to participants as required.

Participation was adequate. The diversity of participants was appropriate for the level required (broad-view of risk) and enabled CCG and CCGA to understand its risk exposures across Canada. Sufficient time was given to participants to familiarize themselves with the voting technology and the use of illustrative examples enabled participants to familiarize themselves with the voting technology and feel at ease with the process. Participants also seemed comfortable expressing their views and opinions during the workshop. Finally, regional differences were embraced, participants were reminded to vote according to their regional context especially since operations and resources differ across Canada.

Upon review of the risk assessment process, methodology, tools, technology and workshop outcomes we suggest that CCG and CCGA consider the following:

- Promote **increased discussion during the workshop** prior to and after voting on each risk to ensure a common understanding of the risk, voting process and to help participants stay engaged throughout the process. Consider alternative ways to

balance amount of discussion around each risk with the number of risks to assess during the workshop given the allotted time (e.g. ask participants to prioritize and narrow down the number of risks prior to the workshop, assess half the risks on the first day and the remainder on a second day, etc.)

- Provide **more specificity around each risk statement**. MRC uses scenarios to help define the risk: risk scenario = event + cause + loss. As such, we suggest that CCG/CCGA consider changing the introduction of each risk statement from "The Risk Of..." to a statement which describes an event, the possible cause and includes a description of the consequence to provide more or better opportunities for in depth risk discussion. We recognize, however, that CCG may have to follow DFO guidelines which prescribe the phrasing of the risk statement.
- During the workshop, (self)evaluate the **effectiveness of existing controls** in order to identify potential gaps in management of the risk and develop appropriate action plans. We understand that subsequent to the risk analysis, this evaluation process has begun at the regional level.

As a next step, CCG and CCGA may consider

- **Evaluating the cost-benefit of additional controls and/or action plans** to determine the potential return (risk reduction benefits) as compared to the cost of implementation.
- **Continuing to integrate the results into decision making processes** such as RMAF/RBAF process (in progress), insurance decisions, strategic/operational planning, etc.

MRC is appreciative of the opportunity to assist CCG and CCGA in the insurance risk assessment process and would be happy to discuss any of the observations, suggestions and next steps with you in greater detail.

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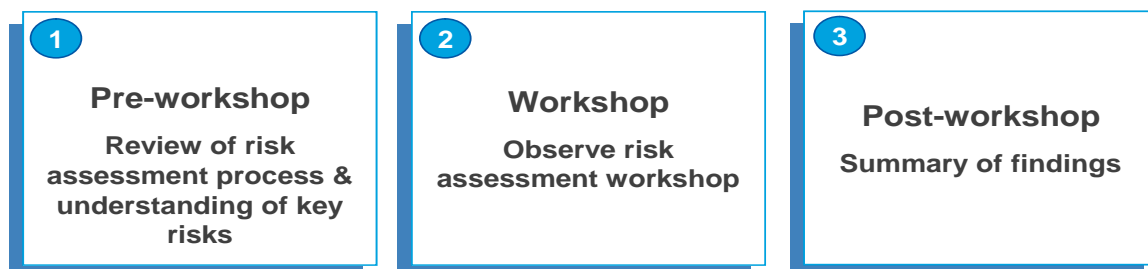
Introduction

The objective of the assessment was to identify, assess and prioritize the risks that the Canadian Coast Guard (CCG) and the Canadian Coast Guard Auxiliary (CCGA) face. A risk assessment workshop was conducted on October 15 and 16 in Victoria, British Columbia and was attended by regional representatives from both groups.

MRC provided the following assistance over the course of the Insurance Risk Assessment Process:

- Reviewed and provided constructive commentary and input where applicable, on CCG and CCGA's current risk assessment process, methodology and associated deliverables;
- Provided assistance during the assessment workshop by helping facilitate the workshop when encouraged to do so and providing feedback on the process and outcomes
- Commented on assessment findings and offered suggestions for future improvements of the process.

As illustrated below, we followed the three-step approach outlined below to assist in the Insurance Risk Assessment Process.



Prior to the assessment workshop, MRC Consultants reviewed the proposed risk assessment methodology, tools and communication materials and provided feedback regarding best practices as well as suggestions to improve clarity of message.

During the workshop we provided assistance to the CCG/CCGA assessment facilitator through explanation to the workshop participants in order to help describe the risk assessment process, risk rating methodology, or description of the risk.

This report provides our objective feedback on the risk assessment process based on best practices as well as CCG and CCGA stated objectives.

In addition to the validation of CCG's and CCGA's risk assessment process, Marsh Canada Limited (Marsh) reviewed CCGA's current insurance programs ensuring that there are no significant gaps in coverage, and offer risk transfer options where available or necessary. Marsh provided specific commentary around the adequacy of the existing insurance coverage available for each risk assessed during the workshop. *Marsh's review of the insurance coverage can be found in a separate document.*

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Findings

5.7.1

Findings are based on MRC's review of the risk assessment process, people, tools, technology used prior to and during the workshop. Upon review of the assessment, we have documented the observed strengths of the assessment as well as identified areas which CCG and CCGA may want to consider implementing in future assessments. Our feedback is based on our observations, comments received by participants during the workshop, and best practices.

5.7.2 Pre-workshop review findings

Prior to the assessment workshop, MRC Consultants Ariela Abecassis and Andrew Hosie reviewed the proposed risk assessment methodology, tools and communication materials and provided feedback regarding best practices as well as suggestions to improve the overall process, outcomes, analysis of results and sustainability of the process going forward.

Process

Overall, CCG and CCGA have an established risk assessment process. CCG/CCGA aligned its risk assessment with the Maritime Services SPF Risk Assessment Process which clearly states the objectives for the risk assessment framework and expected outcomes. The assessment process encompass several best practices such as defined risk rating scales, conducting "deep-dives" into key risk issues, and embedding risk into business decisions and strategic planning.

We found the risk assessment process to be sound and allowed participants to assess a broad range of possible risk exposures, understand the context around the risk, its potential impact and likelihood of occurrence as well as existing risk management practices. The scope of the Risk Analysis Process included insurable and non-insurable risks allowing CCG and CCGA to explore and address its most critical risks.

Tools

The risk assessment tools including the use of a risk inventory, risk rating criteria, and communication materials effectively supported CCG and CCGA in achieving its desired outcomes.

Risk Inventory

In order to identify applicable risk exposures to be assessed during the workshop, CCG and CCGA consulted risk inventories from prior risk assessments and refined the context and definition to reflect the CCG and CCGA context.

CCG and CCGA have developed a risk inventory and related definitions specific to each organization to aid in risk identification. CCG has a process in place to track program-related risks and link them to the CCG Corporate Risk Profile. CCGA also has a risk inventory and related definitions proper to its organization. These risks are tracked separately from CCG's risks to avoid confusion or misinterpretation. CCGA's risks are considered in the analysis of CCG's risk profile via a distinct process. Risk inventories can be developed using a variety of sources of information such as prior risk assessments, analysis of claims history analysis of claims history and analysis of industry data. Defining each risk category has enabled CCG and CCGA to easily identify risk, ensure that all major areas of risk are considered/ addressed, and to avoid duplication.

Each identified risk was defined and its associated consequences as well as existing controls were identified prior to the risk assessment workshop. **We suggest that CCG and CCGA provide more specificity around each risk statement and consider incorporating these elements in the risk statement.** MRC uses scenarios to help define the risk whereby risk scenarios are defined by the risk event + cause of risk + resulting loss. As such, CCG and CCGA may want consider changing the introduction of each risk statement from "The Risk Of..." to a statement which describes an event, the possible cause and includes a description of the consequence to provide more or better opportunities for in depth risk discussion. We recognize, however, that CCG may have to follow DFO guidelines which prescribe the phrasing of the risk statement. As such, additional risk information such as risk drivers and consequences were provided to participants in the advance read package prior to the workshop to provide more specificity around each risk statement. Participants were asked to provide their comments, propose changes and add information where necessary.

Risk rating criteria

Risk rating criteria were defined for impact and likelihood enabling participants to discern between a high or low risk. Definitions and descriptions for impact and likelihood rating scores are clear and easy to understand. The use of a five-point impact and likelihood scale enabled a broad range of scoring possibilities (vs. 3 point scale) without giving participants too much choice (e.g. 10 point scale). Risk metrics are presented on a one-page document which participants can easily refer to during the workshop.

Strengths also included the use of multi-variable impact definitions allowing CCG and CCGA to define impact in terms of potential financial, reputational, operational/business interruption, environmental and health and safety consequences. The use of a risk ranking

matrix / heat map with a defined risk threshold level also enabled CCG and CCGA to prioritize its key risks.

Moreover, CCG and CCGA have reviewed the impact metrics proposed by the DFO and have added more specificity to the metrics to ensure they align with their willingness to accept risk.

CCG and CCGA should consider (self)evaluating current controls / risk management activities during the workshop in order to identify any gaps and potential opportunities for improvement. **CCG and CCGA have recognized that evaluating existing controls and risk management practices at the regional level as an immediate next step in the process which will include discussions with national head quarters.**

A similar rating scale can be developed to evaluate the maturity or the effectiveness of risk controls/risk management practices in place and consider if they are:

- Clearly understood and implemented;
- Complete (prevention, detection, response);
- Comprehensive (administrative, physical, procedural);
- Responsive (help manage the risk in time);
- Cost effective;
- Known and applied across the organization; and
- Incorporate best practice.

Communication material

Preparation documents were sent to participants on September 21st prior to the workshop in order to familiarize them with the objectives of the risk assessment process, the risk exposures that will be discussed and the tools that will be used. Preparation materials also included the risk metrics used to rate likelihood and impact.

Participants were asked to review the material and send their comments, questions and edits to the risk assessment facilitators prior to the workshop. The facilitators received responses from participants prior to the workshop requesting additional information and clarification, signaling a high level of buy-in and participation from those in attendance.

5.7.3 Workshop review findings

Participants

CCG/CCGA assessment facilitators were experienced, well versed in the risk assessment process and were knowledgeable of the risk exposures enabling them to explain the context around the risk and provided guidance to participants throughout the process.

Participation was adequate. The diversity of participants was appropriate for the level required (broad-view of risk) and enabled CCG and CCGA to understand risk exposures across Canada. Some members had participated in previous risk assessments and were familiar with the voting process. Others had never participating in such an exercise and needed more time to understand how to use the risk ranking metrics and assess the risk exposures. Sufficient time was given to participants and the use of examples prior to the risk assessment enabled people to familiarize themselves with the voting technology and

feel at ease with the process. Participants seemed comfortable expressing their views and opinions during the workshop. Finally, regional differences were embraced, participants were reminded to vote according to their regional context especially since operations and resources differ across Canada.

Process

The risk assessment process was sound and allowed participants to assess a broad range of possible risk exposures, understand the context around the risk, its potential impact and likelihood of occurrence as well as existing risk management practices.

During the workshop MRC provided assistance to the CCG/CCGA assessment facilitator by providing additional explanation to the workshop participants in order to help describe the risk assessment process, risk rating methodology, or description of the risk.

The results of the risk assessment enabled CCG and CCGA to have a broad and view of its risk profile and increase risk awareness of the regional leaders for each organization. The results of the assessment also provided valuable information for each region to use on an on-going basis and provided a starting point to obtain additional data and perspectives from the broader regional group.

CCG and CCGA may want to consider alternative ways to balance the amount of discussion with the number of risks to assess during the workshop given the allotted time (e.g. ask participants to prioritize and narrow down the number of risks prior to the workshop; assess half the risks on the first day and the remainder on a second day, etc.).

From our observations during the workshop, we suggest that CCG and CCGA consider the elements listed below.

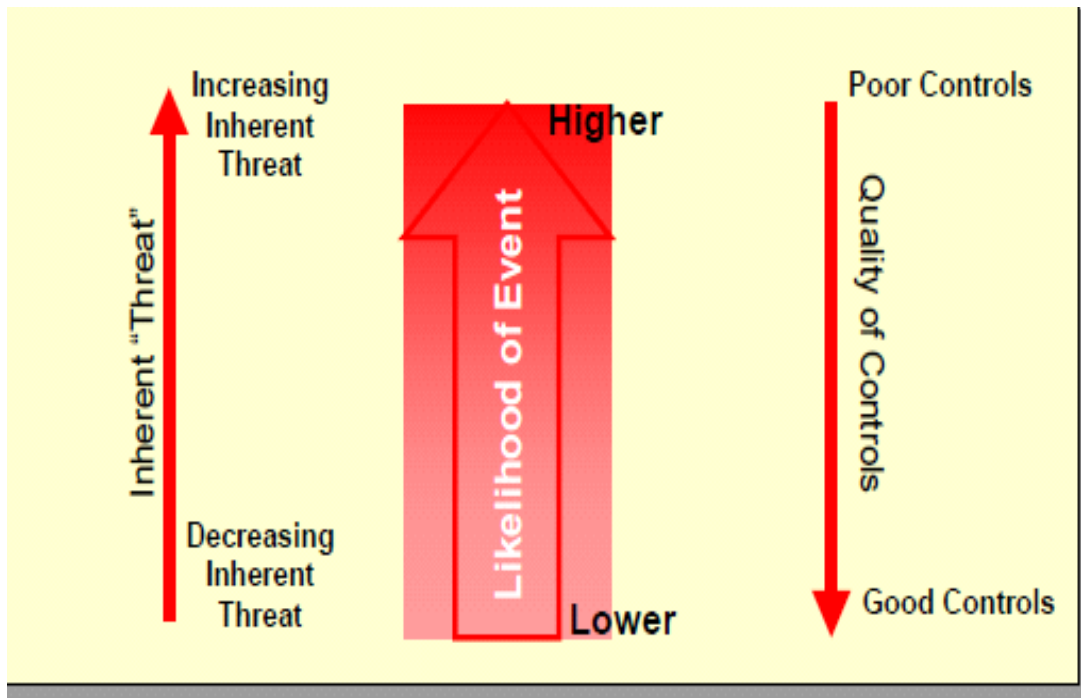
- **Prior to voting on the likelihood and impact of each risk:**
 - **More discussion surrounding each risk be allowed.** This will ensure that participants have a common understanding of the defined risk and that the definition is adequate and comprehensive. Discussion is especially important given that this was the first risk assessment workshop that many of the participants had attended, hence additional discussion would help ensure that participants have a common understanding of the process. Additional discussion also helps ensure that the level of engagement and participation remains high throughout the assessment, especially given that the participants had a very full agenda over the weekend.
 - **Roundtable discussions regarding existing risk management practices be encouraged.** This will ensure that each region have plans in place to manage the risk exposure in order to effectively assess the likelihood and impact and provide a learning forum for other regions.
 - **CCG and CCGA should consider evaluating current controls/risk management activities for each risk during the workshop.** This will allow CCG and CCGA to effectively assess impact, likelihood (given the adequacy of existing controls), identify any gaps and potential opportunities for improvement.

- **Immediately after voting on the likelihood and impact of each risk:**
 - **More discussion around the voting results be conducted.** This will ensure that the participants have a similar understanding of the risk issue and the voting process (e.g. how they should consider impact and likelihood – before or after existing controls, etc.) – preventing the group from losing sight of the desired outcomes and making sure that the collated results are consistent. Discussion ensures that participants stay engaged in the process and promotes learning across the regions.
 - **Although there are regional differences, there is benefit in understanding why there are differences in the vote.** For example: the impact rating may be influenced by the stakeholders involved, resources available, differences in climate, value of assets, number of vessels available (capacity), the number of employees and volunteers, the legal / regulatory environment and/or existing relationships (political, etc.). Understanding these factors also enables the regions to understand how the risk may develop over time and improve planning if any of these factors change.

Tools

CCG and CCGA should consider capturing and evaluating existing risk management controls and practices. Some organizations rate the efficacy of existing risk management practices. This allows the organization to:

- Identify areas where additional controls/practices are required; and
- Effectively prioritize risk and allocate resources (e.g. A risk with a 4 impact and a 4 likelihood with weak controls is more critical than one with strong controls in place – illustration).



Technology

The use of electronic voting hardware during the risk assessment workshop ensures that each participant's perspective on risk is considered and counted. This is especially important given that there were many participants during the workshop and each represented a different group and/or region. The electronic voting technology also facilitates the analysis of results – e.g. CCGA vs. CCG, regional risk profile, etc. The technology also allows participants to see the dispersion in votes and promotes discussion when there is a significant difference in opinion (someone voting 2 vs. 5). Although there are regional differences which affect the likelihood and impact of a risk, it is beneficial to discuss these differences and learn from them. Finally, when analyzing the results, “risk experts” can be identified and their votes singled out, also providing some perspective on the results.

5.7.4 Post workshop findings

Process

The initial results of the risk assessment workshop (votes by region, CCG vs. CCGA) were compiled and presented during the second day of the workshop. The top 10 risks by likelihood and impact (average of all the regions) were discussed during the workshop in order to better understand the results, discuss existing control measures and identify additional risk management measures to better manage the risk.

The results were also sent to CCGA's insurance broker - Marsh - in order to understand what was insurable, currently insured and identify potential areas of improvement. The insurance analysis enables CCGA to link the risk assessment process with its insurance decision making process.

CCG and CCGA may want to consider evaluating the controls during the first day of the workshop rather than assessing controls after the risks have been mapped.

Once again, the CCG and CCGA will have to balance required risk information with the allotted time and overall objectives of the exercise. Incorporating the control (self)evaluation into the likelihood and impact ratings ensures that controls are discussed for all risks and not just the top 10. This is important because the top 10 was based on the average for all regions and not on an organizational or regional basis where the risks will be managed.

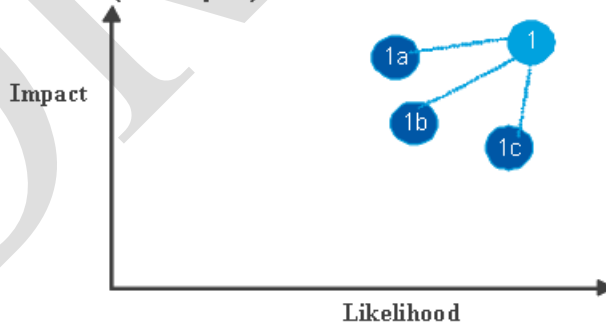
Additionally, some regions had very high risks which did not make it to the top 10 and additional controls were not discussed. **Therefore, we suggest as a next step, that each organization receives their regional risk profile and evaluate existing and corresponding controls and identify additional risk management measures / action plans to better manage these risks.** We understand that CCG and CCGA have started to distribute the regional risk profiles and additional risk analysis / discussions have begun to take place.

CCG and CCGA has presented the top 10 risks in a histogram showing the national average risk score and those of the regions to help understand the results and identify if the risk score is consistent or if it is driven by one region. **For the same reasons, we also suggest that during the risk assessment workshop a histogram of the impact and likelihood score by region and organization also be presented to and be discussed by the participants.**

As a next step, CCG and CCGA may want to consider providing regional leaders and its members with information on how to manage key risks. We have provided sample information bulletins which can help better manage risk issues.

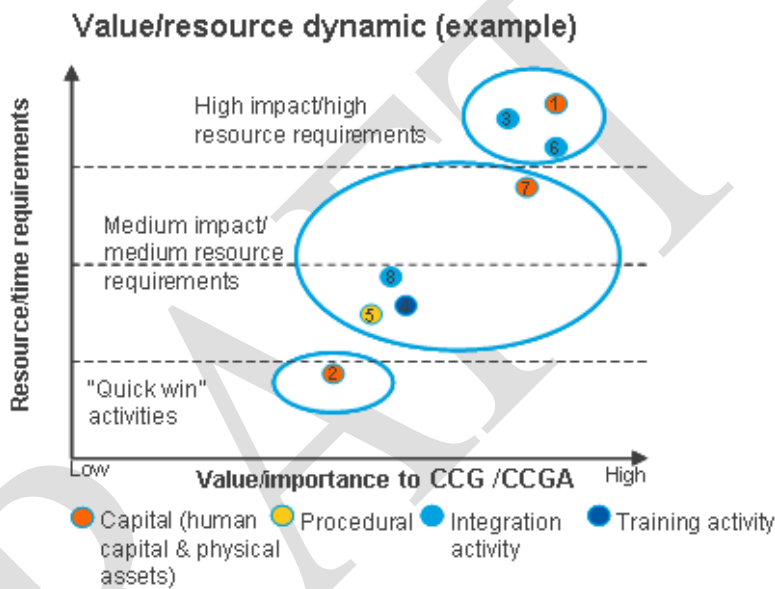
CCG and CCGA may also want to consider evaluating how additional risk management practices can reduce risk (*as illustrated below*).

Benefit of Additional Controls – Risk Evaluation Before and After Implementation of New Control (example)



Some organizations evaluate the cost vs. benefit of additional risk management practices. This is helpful when prioritizing additional risk management practices and allocating resources. Evaluating the cost-benefit of additional controls / risk management practices may enable CCG and CCGA to prioritize action plans and effectively deploy its resources.

- **Benefit:** The amount of risk reduction due to the implementation of additional controls
 - Risk evaluation before and after additional controls
- **Costs/Effort:** may include
 - \$ cost implementation: technology, training, etc.
 - Ease of implementation and time required (e.g. does it necessitate any legislative change, etc.)
 - Relevance & buy-in within CCG or CCGA / region



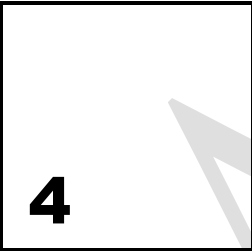
We encourage CCG and CCGA to continue integrating the risk assessment results into decision making processes such as RMAF/RBAF process (in progress), insurance decisions, strategic/operational planning, etc. Leveraging the results allows for an effective allocation of human and financial capital, and brings additional value to the risk assessment process and to the organization as a whole.

Technology

CCG and CCGA have developed an electronic risk register / risk information database specific to each organization in order to effectively track, sort and report key risks.

There is tremendous value in developing an electronic risk register and database

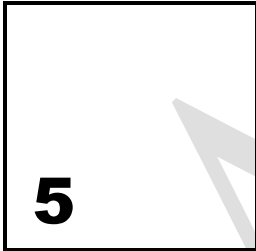
- **Central:** Repository for all risk management data
- **Available:** Easy access to risk information (e.g. user friendly, mechanism to share/distribute data, etc.)
- **Flexible:** Functionality to slice/sort data in many different ways (e.g. correlation analysis, etc.)
- **Inform:** Facilitates risk management knowledge sharing (i.e. increases risk awareness, etc.)
- **Efficient:** Saves time and money with future risk management efforts (e.g. continuous improvement, etc.)



Conclusion

Once again, MRC thank CCG/CCGA for the opportunity to assist in this insurance risk assessment process. Overall we found the insurance risk assessment process to be sound and enabled CCG and CCGA to have a good overview of its critical risks.

As a next step, we suggest that CCG and CCGA review the options included in this report in order to help identify and prioritize the opportunities it wishes to include in future assessments and to achieve its desired level of sophistication. MRC would be happy to discuss any of the observations opportunities for improvement or suggestions outlined in this report with you in greater detail at your convenience.



Appendix A: Sample Risk Bulletins

Please find below sample risk bulletins addressing key issues identified during the assessment workshop (e.g. Working issues related to dealing with children (Prevention), and Alcohol served at CCGA Functions – Host Liquor Liability). As a next step, CCG and CCGA may want to consider providing regional leaders and its members with information on how to manage these and other key risks.

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CCGA Risk Analysis Process Review – Final Report

Canadian Coast Guard and Canadian Coast Guard Auxiliary

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