



Risk Matters

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In This Issue

- **Music and Booze: a Volatile Combination**
- **Statement of Values vs. Scheduled Values**

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for decision makers.

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Music and Booze: a Volatile Combination

On April 21, 2010, Daniel Sullivan, a Pickering Ontario contractor was sentenced to 12 months house arrest for attacking Oasis guitarist Noel Gallagher, during the Virgin Music Festival in September 2008.

Security failed to prevent Sullivan from running onto the stage and pushing Gallagher from behind. Gallagher suffered three broken ribs in the attack. Sullivan claimed that he was so drunk that he could not recall how he got to the concert. Gallagher *prepared a* victim-impact statement for the criminal trial court in which he said he "may never really recover" from the assault.

According to Gallagher and Oasis, the injuries required an eight-month rehabilitation process and are alleged to have compelled the band to cancel concerts and promotional appearance' in Paris and New York and other cities. In a civil lawsuit, they are seeking over \$2 million in damages from Sullivan for compromising Gallagher's ability to perform.

Festivals and concerts typically bring a large number of folks into a place there is plenty of alcohol to drink. In "*Special Events are Special Risks*", I note that this automatically increases the chance of injury or damage to a high level.

The (now) Centre for Addiction and Mental Health conducted a study that found that when municipalities established an Alcohol Risk Management Policy, they saw reductions in alcohol-related problems. Key improvements included:

- 61% less underage drinking
- 57% fewer fights and scuffles
- 55% less vandalism
- 36% fewer police interventions
- 32% fewer public complaints

To order "*Special Events are Special Risks*" for more tips on managing alcohol-related problems, visit www.cunnart.com.

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"The man who makes no mistakes does not usually make anything."

~ Bishop W. C. Magee ~

Statement of Values Vs. Scheduled Values

As a commercial property underwriter, I was taught that a Statement of Values (SofV) was the insured's honorable estimate of the value at risk. The insurer relies on the SofV as one way of ensuring property values/premium income for the described risk.

A "Schedule of Values", on the other hand is a list of values that the insured believes, thinks, or hopes is the correct value for the property insured. There is no 'statement' saying that the insured is certain that the values are in truly representative of 'actual cash value' or 'replacement cost'. This does not mean to suggest that a 'Schedule' allows or encourages the insured to intentionally misrepresent the value of the property. Rather, it simply does not imply that any particular attempt has been made to ascertain if the value is in fact, accurate, or not.

Harry Cylinder, an insurance consultant from Pennsylvania suggested on LinkedIn last month that "A statement of values is supposed to be the insured's representation that property is insured to its proper limit. A schedule of values is just a list of what an insured wants to cover and for how much."

Whenever you are asked to complete a SofV form, be sure to read the clause right above the signature line. The signatory is asserting that the SofV accurately represent the real cost of the insured property. A misstatement will allow the insurer to deny coverage for an alleged misrepresentation. If you are even the slightest bit uncomfortable that the values shown may not be accurate – insist that the manager who provided you with the values be the person to sign the Statement. (This step is a form of personal Risk Management!)

151 ways to Identify Risk



Confused about how to identify risk? When you are in meetings, or working on a project, how do you convince your colleagues that you know how to identify the risks in their area? Here is a resource to help you reach your goal faster! At only \$9.00 including shipping you can begin identifying risks today. To get this resource right away visit www.cunnart.com