

## **RISK MAPPING**

Risk mapping is a technique used to help present identified risks and determine what actions should be taken toward those risks.

The possible severity of an occurrence would be charted on the X axis.

The possible frequency of an occurrence would be charted on the Y axis.

The possible occurrences would be plotted based on their relative relationship to each other.

If an airline corporation determines that flying into tornadoes always results in a plane crash, that occurrence would be placed in the upper right quadrant of the graph. This risk is both severe and definite. So it should be avoided, and the airline corporation would instruct their pilot to not fly into tornadoes. If a movie theater determines that chewing gum stuck to the bottom of a seat rarely results in lawsuits for the damaged clothing, that occurrence would be placed in the lower left quadrant. The movie theater would take little action to prevent this occurrence and would not transfer the risk (buy insurance).

Most risks would fall somewhere between these examples. If the chance of the risk were slight or moderate in frequency and significant in severity, the organization would want to transfer that risk. Risks can be transferred by different methods. One way to transfer risk is to buy insurance. Another way would be to have someone else assume the risk by a waiver form with an indemnification clause. Sometimes a risk can be reduced by preventive actions, such as wearing safety glasses when using a weed eater.

See Risk Mapping Chart below.

