

RISK MANAGEMENT PLAN

The goal of Assisted Independence, LLC.'s Risk Management Plan is to "Promote Quality Services and Manage Risk Effectively". Assisted Independence, LLC. is to protect itself against accidental loss or losses which would significantly affect agency personnel, property, its budget, or its ability to continue to fulfill its responsibilities.

It is policy of Assisted Independence, LLC. for every personnel to act to reduce the risk of accidental loss or injury to the greatest extent feasible, consistent with carrying out Assisted Independence, LLC.'s mission of helping clients live active and healthy lives at their home and in their communities.

To accomplish the goal of effective management of risks, a Risk Management Controls System grid has been established to identify and analyze loss exposure and safety hazards, control mechanisms, responsibility, and scheduling of reporting and monitoring the results produced or achievement of changes. The areas of exposure are tracked through all divisions of the agency including Administrative, Financial, CDDO, Community Relations, Human Resources, Life Enrichment, Residential, Support Services and Work Services. The Risk Management Controls System is reviewed and updated quarterly by the Management Team.

Risk management includes actions taken before and after a loss occurs and is directed towards reducing risks and reducing the frequency and severity of losses. When analyzing a loss exposure and its treatment, the impact on the entire agency, as well as on individual departments, is evaluated.

Assisted Independence, LLC. faces many risks in the course of its daily operations. Most fall into one of the following categories:

- 1) General Liability
- 2) Professional Liability (Including Directors and Officers coverage)
- 3) Liability to employees
- 4) Property Loss
- 5) Vehicle-related Loss
- 6) Contractual Liability
- 7) Business Loss / Interruption
- 8) Loss of Reputation

General Liability

General liability refers to the amount of loss payable to others outside the organization for injury or damage arising from operations. It applies to personal injury, bodily injury and property loss or damage to a third party resulting from the negligence of the program operations or the employees.

Professional Liability (including Directors and Officers Coverage)

Claims are most prevalent in the areas of hiring, treatment, and termination of employees. In terms of Directors and Officers liability, consumers and guardians rightfully expect a high level of character, professionalism, and ethical conduct. Directors and Officers must exercise reasonable care and diligence in carrying out their tasks. Negligence in fiscal management is the most common target of Directors and Officers liability claims. Failure to comply with the Americans with Disabilities Act (ADA) opens yet another arena for possible liability exposure.

Liability to Employees

Assisted Independence, LLC.'s liability to its employees includes compensation for job-related accidents or occupational illnesses. Three types of loss exposure are workers' compensation claims, employer liability claims, and non-compliance with applicable occupational safety and health regulations.

Property Loss

Physical property at risk includes real and personal property, whether owned or leased. The loss may result from fire, accident or theft. Property may be destroyed, damaged or lost. The organization may also experience an interruption in normal operations.

Vehicle Related Loss

Risks include property damage to the vehicle itself, in addition to liability claims for personal injury and property damage as a result of vehicle operation. The specific types of liability are numerous and run the gamut from minor fender benders to loss of life.

Contractual Liability

When risk is contractually transferred from one party to another, loss exposures can be increased or decreased. Contractual liabilities can arise out of leases, rental agreements, special service agreements, joint use agreements, cooperative ventures, construction contracts, service contracts with municipalities and contractual labor.

Business Loss / Interruption

Loss or reductions of funding and major losses of facilities all create risk.

Loss of Reputation

Loss of Reputation could result from negative publicity arising from negligent or unethical behavior of staff and/or organization.

Methods Used to Manage Risks

Assisted Independence, LLC. uses various methods to manage risks to the company as outlined in the Risk Management Control Systems grid.

Risk Avoidance

Assisted Independence, LLC. may elect to avoid undesirably high risks and programs with excessive

costs by refusing to undertake unsafe activities or by discontinuing high-risk programs.

Loss Prevention and Loss Reduction

Risks inherent in the existence and operation of Assisted Independence, LLC. can be reduced, resulting in a decrease in both frequency and severity of accidental losses. It is the responsibility of each department and its personnel to conduct the business of the company in such a way as to reduce or prevent hazards to individuals and property and to evaluate the risk cost potential when developing new programs.

Risk Retention

It is general policy of Assisted Independence, LLC. to retain the financial responsibility for its risks of accidental loss to the maximum extent possible without jeopardizing the financial position of the company or the continuation of essential programs.

Risk Transfer

The financial responsibility for risks may be transferred to others through contractual agreements or through the purchase of insurance. Assisted Independence, LLC. will purchase insurance when required by law, bond, or contractual agreement. Commercially insuring risks does not alter the responsibility or personnel of the company for compliance with required and appropriate safety and security standards.

Plan

Risk management is a dynamic process of identifying risk and selecting techniques to address that risk. Assisted Independence, LLC.'s Policy Manual is the primary resource used to define the expectations or position on a particular matter and authorizes appropriate action that must or may be taken to establish and/or maintain those expectations.

The President of Assisted Independence, LLC. reviews potential risks on an annual basis. The risk was analyzed and evaluated, then a rating was assigned. Low scores (1 or 2) represent either an unlikely risk or that there are adequate plans in place to mitigate the risk. Higher ratings (4 or 5) indicate there is either a potential risk, or that there is no plan in place to address an incident, even if the risk is unlikely. Items rated either 4 or 5 are considered priority areas and in need of action. Prior plans were developed based on a fiscal year but all planning documents have been adjusted to cover a calendar year. This plan covers the period from July 14, 2017 through present.