

Risk Assessment

1. Are all the licensed drivers in your household insured?
2. Do you and your household members have health insurance?
3. Do you see a physician at least every other year for a check-up?
4. Are there firearms in your household? How are they stored or secured?
5. Do you smoke?
6. Do you drink and drive, or ride with others who are drinking?
7. Are the contents of your home insured against fire or theft?
8. Do you wear your seatbelt, and insist that everyone in your vehicle does?
9. Do you have disability income insurance in case you become sick or disabled?
10. Is your weight at an unhealthy level?
11. Is your home safe for small children?
12. Has your family ever had a “fire drill”?
13. Do you exercise?
14. Do your parents, or members of your family, suffer from any hereditary illnesses?
15. Does depression or drug abuse run in your family?
16. Is your home free of trip and fall hazards?
17. Do you own a pet which has been known to bite or attack?
18. Do you have all of your important personal documents and records on hand in a secure place, such as a desk, file cabinet, or safe deposit box? (Birth and marriage certificates, adoption, divorce, naturalization, immigration, and military discharge papers, etc.)
19. Do you have basic legal documents which direct what happens to your assets when you die (such as a will or trust)?
20. Do you have the basic legal documents to designate who will make personal decisions and handle your financial affairs in the event you are unable to do this for yourself (such as a financial power of attorney and a health care power of attorney)?

How else can you make your family, friends, and pets safer?

Answers for Risk Assessment

Give Yourself 1 Point for Answering Yes to Questions		Give Yourself 1 Point for Answering No to Questions		Give Yourself 1 Point for the Following Answer
1	12	4		If you answered Yes to question 4 and they are stored securely.
2	13	5		
3	16	6		
7	18	10		
8	19	14		
9	20	15		
11		17		

Your Grade

- A = 20-18 points
- B = 17-15 points
- C = 14-12 points
- D = 11-9 points
- F = 8 and below

Risk Matrix

		Probability of Occurrence	
		High	Low
Cost of Occurrence	High	High/High	Low/High
	Low	High/Low	Low/Low

Rules of Risk

- Don't risk more than you can afford to lose.
- Consider the odds.
- Don't risk a lot for a little.

Examples and Strategies

High possibility, High cost: You live in a house with a large plate glass window. Next to the house is a driving range. You can cover the window with a grille or replace the glass.

High possibility, Low cost: At work you leave your wet umbrella at the door. You retain the risk and take responsibility.

Low possibility, Low cost: You mail \$1 to a friend. Low risk of it not getting there and low cost if it doesn't.

Low possibility, High cost: This quadrant is where insurance is an appropriate strategy – it transfers all or part of the risk to someone else.