

Five Key Risk Considerations for 2021



Having weathered the turmoil of 2020, it's time for organizations to look ahead to 2021, and having experienced the uncertainty of a global pandemic over the past 10 months, risk management should be a cornerstone of every strategic planning conversation.

"We've watched with great pride as Farm Credit organizations not only survived the past year but rose to the challenge and found ways to deliver for their members despite unprecedented disruption," says Brian Clanton, Senior Vice President, Risk Management and Insurance for FCCS. "Now it's time to take everything we've learned and apply it to risk management planning for 2021 to make our organizations even more resilient."

As part of the regular annual risk management planning process, FCCS recommends five key themes to consider in addition to the normal risk parameters:

Risk management remains a critical practice, as underscored by everything that 2020 threw at the world.

1. Enterprise risk management frameworks.

We've reached the stage when effective risk management needs to be considered enterprise-wide. Organizations should make sure that they're leveraging strategies within ERM and are employing and testing best practices to identify, analyze, prioritize and mitigate risks and put controls in place to continuously monitor for risk events.

2. Business continuity planning.

We certainly saw the critical need for comprehensive business continuity plans this year, as fires and hurricanes joined the pandemic to wreak havoc on normal operations. Whatever the cause, these disasters will likely keep confronting us, so ongoing business continuity management remains critical.

3. Cyber security.

Farm Credit's insurance program includes coverage for cyber attacks, but they remain a high risk, especially this year: COVID resulted in a 238% increase in cyber attacks on banks, and 600% increase in phishing attacks on banks and financial institutions. Beyond insurance, there is an array of risk mitigation procedures and techniques, including testing your cyber security protections.

4. Employment practices.

Capable, engaged employees are the backbone of most businesses, and 2020 put a strain on processes and practices as we shifted to remote operations. HR teams were challenged to make sure best practices continued and regulations were enforced amid the chaos of the transition and continuing uncertainty, all while labor laws continue to be updated. Whether shifting back to in-office operations post-pandemic or to a new, hybrid officing approach, businesses need to maintain best practices to protect against liability.

5. Contracts and agreements.

Businesses sign contracts every day, but in crisis it becomes easier to sign in haste to lock-in an essential solution. But when times are especially challenging it becomes especially important that these agreements protect your business, so in 2021 as always, businesses should carefully review all contract language, including routine renewals because agreements may need to be modified to more accurately reflect how our world has changed.

Risk management remains a critical practice, as underscored by everything that 2020 threw at the world. FCCS experts continue to consult with our clients about the full breadth of risk management issues, from cyber security to workers comp to contract and policy review.

"If you have an insurance or risk management question, we encourage you to reach out to FCCS and one of our risk management and insurance experts will be able to help," says Brian.

For more information about FCCS's enterprise risk management services, contact Brian Clanton at 303.721.3281 or Brian.Clanton@fccsconsulting.com or [visit the ERM page on our website](#).