

By David R. Leng, Chief Risk Officer, Duncan Financial Group

What Could Have Been Prevented

Why Boroughs Must Embrace Risk Assessments

It was a typical summer afternoon at the borough park. Kids darted between the slides and jungle gyms, laughter echoing from the swings. One young girl with long hair jumped onto the swing set, pumping her legs, hair flying behind her as she gained momentum.

No one noticed the cracked plastic sheathing on the swing's chains—at least not until it was too late. As she jumped from the moving swing, her hair caught where the plastic had deteriorated, exposing a jagged section of chain. Her head jerked violently. She fell hard, striking the ground. The result was a concussion, a strained neck, and the traumatic loss of a large clump of hair.

**For her parents, it was terrifying.
For the borough, it was a preventable nightmare.**

Unfortunately, scenarios like this are not unusual. Municipalities are responsible for a broad range of public assets, including playgrounds, sidewalks, public buildings, road crews, and storm water systems. With that responsibility comes liability—both morally and legally. And too often, injuries and losses occur not from freak accidents, but from overlooked risks that could have been identified and addressed with a simple, structured risk assessment.

What is a Risk Assessment?

A risk assessment is not paperwork for an insurance file. It's a living process—a systematic way of uncovering potential hazards that could harm people, damage property, or expose a borough to lawsuits and reputational damage.

At its core, a risk assessment helps answer five critical questions:

- What could go wrong?
- How likely is it to happen?
- What would the consequences be?
- What can we do to prevent it?
- Are we checking to make sure our solutions are working?

For municipalities, this can involve inspecting aging playground equipment and reviewing traffic flow at busy intersections, as well as assessing cyber security vulnerabilities in borough records and weaknesses in storm water infrastructure.

When done correctly, risk assessments not only prevent injuries and damage but also strengthen insurance negotiations, improve compliance with state or federal regulations, and help local leaders make more informed budget decisions.

Why Boroughs Can't Afford to Skip This

There's a tendency in smaller municipalities to put risk management on the back burner as budgets are tight and the staff wear multiple hats. So, if nothing goes wrong there's a false sense of security.

But insurance carriers—and plaintiff attorneys—don't operate on feelings. They look at facts. And when something does go wrong, they ask: What steps did the borough take to foresee and prevent this?



A well-documented risk assessment process shows that your municipality takes safety and stewardship seriously. It demonstrates to insurers that you are not merely passively managing risk but actively working to mitigate it. That matters when it's time to renew your policies or defend yourself in court.

In fact, municipalities that conduct risk assessments often find themselves eligible for more favorable insurance terms or lower deductibles. Why? Because they've demonstrated that they're stacking the deck in their favor. Insurance companies reward communities that lower the probability and severity of losses.

What Should a Municipal Risk Assessment Include?

Risk assessments can be broad or targeted, depending on the borough's size, operations, and concerns. A full assessment might include:

- **Public Facilities:** Inspections of borough-owned buildings, parks, and sidewalks for physical hazards or code violations.
- **Employee and Volunteer Safety:** Review of DPW crews, police, and fire department protocols, vehicle use, and personal protective equipment.
- **Operational and Financial Risks:** Analysis of contract procedures, fraud controls, and insurance coverage gaps.
- **Cyber security:** Review of IT policies, access controls, and backups for systems holding tax, utility, or voter data.
- **Emergency Preparedness:** Identification of gaps in response plans for weather events, hazardous spills, or civil unrest.
- **Environmental and Infrastructure Risks:** Assessments of aging storm water systems, flood-prone areas, or environmental liabilities.

The process should be collaborative. Borough managers, public works directors, police chiefs, and even administrative staff should all be involved. Often, front-line workers are the first to notice recurring hazards or maintenance issues.

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IN THE WORKPLACE

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“Consider focusing on one area each quarter. Maybe Q1 is for playgrounds and sidewalks. Q2 is your public works garage and vehicle fleet. Q3 is administrative operations and cyber readiness. By year’s end, you’ve completed a full-cycle assessment without overwhelming your team or budget.”

The key is structure. Use checklists. Maintain inspection records. Assign someone to follow up on fixes. Risk assessments are not a one-time task—they should be reviewed and updated regularly, especially after changes in operations, personnel, or facilities.

Insurance Implications: Perception Is Reality

From an insurance standpoint, what you do—and how well you document it—can significantly affect your rates, coverage, and access to carriers.

A thorough risk assessment presented as part of a renewal package tells your insurer: “We are not a passive risk. We actively manage our exposures, take corrective action, and want to work as partners.”

Conversely, when insurers see signs that a borough is unaware of its risks—or worse, aware but inactive—they may raise rates, exclude certain coverages, or decline to quote at all.

We’ve seen real-world examples of this. One municipality faced rising liability premiums due to frequent vehicle incidents and infrastructure claims. They conducted a risk assessment with help from their insurance advisor, implemented a series of low-cost changes—fleet tracking, storm grate inspections, revised volunteer waiver forms—and documented everything. Within a year, their insurance options expanded, and their premiums dropped by nearly 30 percent.

Getting Started Without Being Overwhelmed

Risk assessments may sound daunting, but they don’t have to be. Start small and build from there.

You don’t have to do it alone. Many insurance agents and risk advisors offer complimentary assessment tools or walkthroughs. Your municipal insurance pool may offer guidance or sample templates. Some boroughs even partner with neighboring municipalities to share expertise or pool inspection costs.

What matters most is that you begin. Adopt the mindset that risk management is not a burdensome task, but a responsibility—and an opportunity.

Conclusion: Protecting Your Borough, One Risk at a Time

That injured girl on the swing? Her pain was real. So was the legal settlement, the insurance claim, and the public outcry.

But so was the lesson.

Municipal risk assessments aren’t just about saving money. They’re about protecting people, safeguarding public trust, and doing right by your residents. When a child is injured, it’s not just the borough that’s shaken—it’s the whole community. Confidence in local leadership, safety, and care can erode with a single incident.

In a world where boroughs face increasing scrutiny, tighter budgets, and growing liability exposure, taking time to conduct a thoughtful risk assessment may be the best investment you make this year.

Not because something has already gone wrong. But because something could.

Your job is to make sure it doesn't. **B**

ABOUT THE AUTHOR



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Our Keystone agencies are more than just insurance providers—they're part of your community, living and working alongside you. They bring a deep understanding of the risks you face, leveraging resources like advanced risk assessments, environmental protection measures, and tailored insurance solutions to meet your evolving needs. Together, we're committed to safeguarding your borough's future.



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