

RISK MANAGEMENT

BY ANDREW T. MARTIN

**Know
where your
responsibility
and liability lies.**

Let's start with a story. We'll call it "The Story Of A Rigging Accident." This is a fictitious account of events compiled by the author, based on experiences in the entertainment industry:

Once upon a time, there was a loudspeaker cluster suspended overhead. Some of the hardware components used were

tem exactly as it was detailed in the specifications because similar fittings were used extensively within the industry.

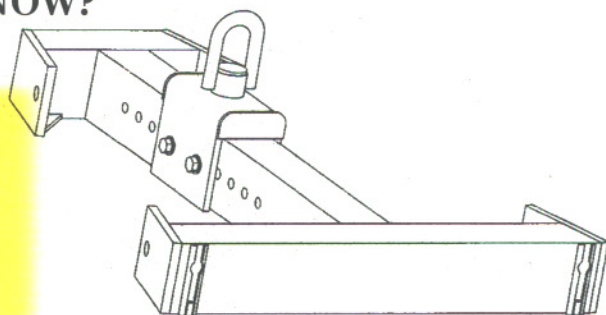
A Sudden Crash

One day there was a sudden crash within the venue. Upon investigation, it was found that the loudspeakers were in a pile on the

HOW WILL YOU KNOW?

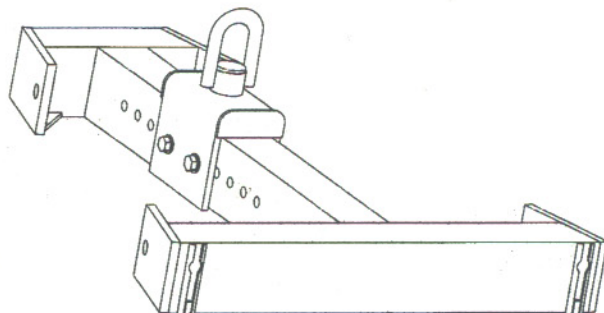
**ABC, Inc.*
Risk aversion
philosophy**

**A fictitious organization*



**Fly Right*
Risk mitigation
philosophy**

**A fictitious organization*



Andrew T. Martin is president/CEO of ATM Group, Inc., Carson CA. This information is based on expertise amassed through Marshal Risk Management Systems risk management consulting services.

designed for overhead suspension and manufactured by a company with strict quality controls and operational product traceability systems. A consultant who thought the hardware would be acceptable, because it was made for high-strength application in the cargo-control industry, also specified some of the other components of the system. Although the contractor was aware that the cargo fittings were not intended for overhead applications, he installed the sys-

tem. Fortunately, no one was near the loudspeakers when they fell. However, a tremendous amount of financial damage occurred to the loudspeaker cluster and the venue floor. The owners of the system were not pleased and, through their insurance agents and attorneys, began the process of trying to collect reimbursement.

It's interesting to see what developed from this:

- The manufacturer of the rigging hard-