

## Chapter 34 Risk Management

### Section 34.2 Handling Business Risks

#### Section Outline with Content and Academic Vocabulary

##### Section Outline

Ways of Handling Business Risks

Risk Prevention and Control

Screening and Training Employees

Providing Safe Conditions and Safety Instruction

Controlling Employee Theft

Preventing Shoplifting

Reducing Workplace Threats

Risk Transfer

Purchasing Insurance

Property Insurance

Liability Insurance

Promoting Product and Service Warranties

Transferring Risks Through Business Ownership

Risk Retention

Risk Avoidance

##### Content Vocabulary

**insurance policy** A contract between a business and an insurance company to cover a specific business risk. (p. 807)

**extended coverage** A property insurance endorsement that provides protection against types of loss that may not be covered under a basic property insurance policy. (p. 808)

**fidelity bond** A bond that provides insurance that protects a business from employee dishonesty. (p. 809)

**performance bond** Also called a surety bond, a bond that provides financial protection for losses that might occur when a construction project is not finished due to a contractor's impaired financial condition. (p. 809)

##### Academic Vocabulary

**undergo** To experience something, often unpleasant. (p. 805)

**device** A machine or piece of equipment that does a particular job. (p. 807)