

# THE BASIC RULES OF RISK MANAGEMENT:

- Transfer risks to an insurance company when the loss would be catastrophic
- Retain the risk when the loss would not be severe
- Reduce all risks by taking preventative measures
- Avoid (if possible) risks that are potentially catastrophic and uninsurable
- Establish an emergency fund
- Use deductibles, coinsurance, and similar techniques to reduce insurance costs

*"Only buy insurance  
for that which you  
don't want to write a  
check for"*  
-Rik Saylor

