# Editorial Preface

# Contingency Critical Thinking for Insurance, Energy Creation, University and Healthcare Industries

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## INTRODUCTION

In our second 2016 issue of the *International Journal of Risk and Contingency Management* (*IJRCM*) we have brought you distinctly different studies. Each manuscript is an applied study of a unique risk-related topic originating from different disciplines or industries. This shows the breadth of what is possible in our field which we hope will serve as motivating models to ignite more research. The sections below introduce each major study.

## LITERATURE REVIEW

### Assessing the Relationship between Awareness and Uptake of Insurance Products in Kenya

The first paper is from the government public administration sector of Kenya. Owuor investigates consumer opinions of insurance collected through a stratified random sample of teachers at Kenyan schools ($N$=1124). Using descriptive statistics and linear regression he found that consumers were purchasing insurance based on incorrect risk information. Not surprisingly, he recommended changes to government policy that would require insurance companies to distribute more reliable information to potential consumers.

### Quantifying the Uncertainty of Energy Creation from Solar and Wind Farms in Different Locations

The second paper emerges from the energy creation industry on the east cost of USA. Nersesian and Strang develop and apply a cost-effective multivariate model for solar and wind farm energy creation to a USA-based case study of a nuclear power plant. They contrast the benefits versus costs of solar versus wind farms, while linking the critical operational factors to best-practices in the literature. Their models indicated that an over dependence on solar and wind as a source for energy creation could place consumers at risk of interrupted service given the state of contemporary battery technology (they assert that large scale electricity storage is not currently available). Therefore, they undertook a second study, by building a model to quantify uncertainty by matching uncontrollable supply to uncontrollable demand where a gravity battery could be installed to store the electricity as potential

energy. This is not a new theory but the approach is novel owing to the use of risk quantification techniques with simulation to fit the data to a conceptual model.

### (R)Evolutionary Emergency Planning: Adding Resilience through Continuous Review

The third paper is grounded in the higher education public sector of USA. Lock, Fansler and Webb and use the action research method to review a business continuity project to determine what worked and what did not in a university library case study where many small crises were integrated as a scaled down model to serve as a focus point for planning for a large disaster. An important component of their approach was to show the relevance and method for creating a strategic plan to mitigate disaster damage (such as from fires, floods, hurricanes, influenza outbreaks, biological, hazardous material, or terrorist threats). They conducted several business continuity planning activities and surveyed participants to measure their awareness as well as learning outcomes following training exercises. Their work is a must read for any public, private or non-profit organization because we are all vulnerable to some type of disaster risk regardless of where we live or work.

### Assessing Systematic Risk

The fourth paper is set in the healthcare industry of USA. Mitroff and Silvers use general analytics to develop dependent probability equations that could predict medical conditions, specifically diabetes. They cast risk management in a different way from the previous study, by showing how medical condition uncertainties could be quantified in order to balance risks and avoid a disaster, in particular a Type 2 diabetes attack that could cause death. They show how the cumulative effect of specific risks could trigger larger chain reactions beyond the simple additive probability. The authors also point out that increases in some risks are used to reduce others. Finally, they show that even though the mitigation of one risk could reduce uncertainty, this could cause other risks to present. Their paper should stimulate other researchers outside of the traditional business, finance, economics, and math/statistics disciplines to contribute studies sharing how uncertainty and planning impact other industries.

## CONCLUSION

We have exciting new multi-year call-for-paper topics released – please see our keywords and author tools at our online site (http://ijrcm.multinations.org/). We are soon going to announce additional keyword revisions to our journal and offer to cover risk in business intelligence and data analytics.

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