

## RISK MANAGEMENT AND INSURANCE POLICY

### I. NAME

This document shall be called the Risk Management and Insurance Policy.

### II. PURPOSE

The purpose of this document is to formalize policy guidance designed to reduce or eliminate losses to which the Associated Students (AS) of California State University, Chico may be exposed through the process of risk identification, analysis and evaluation.

### III. DATE OF EFFECTIVENESS

This policy shall be effective upon approval of the Board of Directors (BOD).

### IV. AMENDMENTS

This policy may be amended by a majority vote of the BOD.

### V. GUIDELINES

- A. Management of risks of loss the AS shall be under the direction of the Executive Director. It is his/her responsibility to identify risks, determine the means of eliminating, abating, transferring, or retaining these risks after consultation with appropriate staff, counsel, and University personnel.
- B. When the AS cannot eliminate or economically retain a risk of loss, it shall be transferred by purchase of insurance when available. The form and sufficiency of various limits for the protection of the AS shall be determined by the Executive Director in consultation with the AS Financial Services Director.
- C. The Executive Director is authorized to implement a comprehensive risk management and insurance program consistent with the stated purpose of this document. Written program guidelines may include criteria to identify hazards and risks for analysis:
  1. Quantity of activities, services, and support in which the AS is involved.
  2. Minimum insurance coverages and limits by types of authorized activities.
  3. Activity relationships in which there is/may be shared responsibility and liability with respect to contracts, employment, occupancy of premises, or oversight of facilities, programs or services between the AS and the University or other entity.
  4. The exclusion of risks or activities that the AS is clearly unwilling to undertake under any and all conditions, including those that may be prohibited or pose such a high degree of risk as to jeopardize the feasibility of the activity, or constitute a threat to the corporation.
- D. The guidelines shall formalize the AS's Risk Management and Property/Casualty Insurance coverage program by integrating the following program elements into the organization's operations:
  1. Monitoring all insurance coverages.
  2. Close monitoring of all claims.
  3. Routine inspections of facilities and worksites.
  4. Insuring that safe practices are consistently observed.
  5. Conducting on-going safe practices/risk avoidance training and reinforcement efforts with all employees covering all risks.
  6. Instituting disciplinary measures as required to ensure that risk management is faithfully observed.

7. Development of preparedness plans for disasters.
- E. The Executive Director, through management guidelines, shall clearly identify how the Risk Management Program is to be organized, including:
  1. Delegated authority.
  2. Performance of program duties and task assignments.
  3. Role and relationships of claims management firm agents.
  4. Relationships of risk management programs/staff to safety, security, legal, and employees relation functions.
  5. An assessment of any new activities (especially contractual duties) in terms of risks.
  6. An inventory of risks, exposures, activities and properties.
  7. A formal review process for assessing risk exposures on premises, in operations, through contracts, and with avoidance/prevention efforts.
  8. An accident/loss monitoring process that identifies where accidents and/or losses are likely to occur.
  9. A systematic claims assessment process to insure that claims are being properly administered and that the activity is fully aware of the types of risks being assumed.
  10. A practice of including risk management as a component of management performance evaluations.

Approved BOD: 8-19-92  
Clean-up Changes: Summer 1999  
Clean-up Changes: Fall 2003