Risk Management

PURPOSE .......................................................................................................................................................... 1

POLICY STATEMENT ........................................................................................................................................ 2

WHO SHOULD KNOW THIS POLICY ............................................................................................................. 2

DEFINITIONS ..................................................................................................................................................... 2

REGULATIONS .................................................................................................................................................... 2

1.0 ROLES AND RESPONSIBILITIES ................................................................................................................ 2
1.1 ASI Controller.................................................................................................................................................. 2
1.2 Human Resources Manager........................................................................................................................... 3
1.3 Associate Executive Director/Director, University Student Union............................................................... 3
1.3.1 USU Building Services Engineer.............................................................................................................. 3
1.4 Managers and Supervisors............................................................................................................................ 4
2.0 RISK MANAGEMENT ELEMENTS............................................................................................................... 4
2.1 Anticipation & Identification ......................................................................................................................... 4
2.2 Evaluation........................................................................................................................................................ 5
2.3 Control............................................................................................................................................................. 6
2.4 Program Monitoring....................................................................................................................................... 6
3.0 PURCHASE OF INSURANCE ....................................................................................................................... 6
3.1 Business Property Insurance......................................................................................................................... 6
3.2 Comprehensive General Liability Insurance................................................................................................ 7
3.3 Automobile Insurance................................................................................................................................... 7
3.4 Participant Accident Insurance..................................................................................................................... 7
3.5 Fidelity Insurance......................................................................................................................................... 7
3.6 Worker’s Compensation Insurance............................................................................................................. 7
3.7 Other Insurance........................................................................................................................................... 7
4.0 INSURANCE CLAIMS ................................................................................................................................... 8

Purpose

Whether occurring on- or off-campus, the activities of the Associated Students, Incorporated are susceptible to varying degrees of risk. To ensure that risks arising out of these activities are anticipated, managed, and mitigated, the Associated Students, Incorporated has established a risk management program. The program is designed to protect the safety of all staff, students, and visitors as well as preserve ASI’s physical property. It is the goal of the Policy on Risk Management to aid in the identification and evaluation of risk, to facilitate the selection and application of the best risk management techniques, and to monitor the results.
Policy Statement

It is the policy of the Associated Students, Incorporated to promote and facilitate a safe and secure learning environment while minimizing the risk of financial loss to the corporation, its officers, employees, representatives and volunteers, through the identification and analysis of risk, implementation of loss control programs, and reduction of risks by transfer of financial responsibility.

Who Should Know This Policy

- Budget Area Administrators
- Elected/Appointed Officers
- Grant Recipients
- Management Personnel
- Program Advisors
- Staff
- Supervisors
- Volunteers

Definitions

For purposes of this policy, the terms used are defined as follows:

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hazard</td>
<td>The inherent characteristic of a material, condition, or activity that has the potential to cause harm to people, property, or the environment</td>
</tr>
<tr>
<td>Risk</td>
<td>Risk is the combination of the likelihood and the consequence of a specified hazard being realized. It is a measure of harm or loss associated with an activity.</td>
</tr>
<tr>
<td>Likelihood</td>
<td>Likelihood is expressed as either a frequency or a probability. Frequency is a measure of the rate at which events occur over time (e.g., events/year, incidents/year, deaths/year, etc.). Probability is a measure of the rate of a possible event expressed as a fraction of the total number of events (e.g., one-in-a-million, 1/1,000,000, or 1X10-3).</td>
</tr>
<tr>
<td>Consequence</td>
<td>Consequence is the direct effect of an event, incident, or accident. It is expressed as a health effect (e.g., death, injury, exposure), property loss, environmental effect, or damage sustained.</td>
</tr>
<tr>
<td>Risk Analysis</td>
<td>The study of risk in order to understand and quantify risk so it can be managed</td>
</tr>
<tr>
<td>Risk Management</td>
<td>The systematic application of policies, practices, and resources to the assessment and control of risk affecting human health and safety and the environment</td>
</tr>
</tbody>
</table>

Regulations

1.0 Roles and Responsibilities

The implementation of the Policy on Risk Management Policy is a responsibility shared by all ASI management and staff. It is the responsibility of management to ensure that all ASI employees are aware of the Risk Management Policy and remain committed to its implementation. Individuals charged with implementing and maintaining the program by providing advice, information, and
coordination include the ASI Controller, Human Resources Administrator, and Associated Executive Director/Director, University Student Union.

### 1.1 ASI Controller

The role of the Controller is to evaluate and implement risk management practices. He/she shall serve as ASI’s risk management representative to the CSU Risk Management Authority and the Chancellor's Office. In addition, it shall be the responsibility of the Controller to apply appropriate contract language, including insurance specifications, hold harmless clauses, and professional liability to protect the ASI and the university. He/she shall also be responsible for informing and advising the Executive Director, as appropriate.

The Controller shall provide necessary oversight to ensure that all independent subcontractors performing services on any ASI premise provide to the ASI certificates of insurance with liability and workers compensation limits equal to or greater than those maintained by the ASI. ASI shall be named as an additional insured on all subcontractor policies.

When the above is not feasible due to the nature of the work to be performed and the resources of the subcontractor, the Controller shall at the minimum obtain hold harmless agreements from subcontractors indemnifying against all losses for the work performed. This alternative shall be accepted at the discretion of the Controller.

### 1.2 Human Resources Manager

The Human Resource Manager shall develop and implement injury and illness prevention programs in compliance with various regulatory requirements. As chief personnel officer, the Human Resources Manager shall be responsible for the development and implementation of human resource policies and procedures as they pertain to equitable hiring and workers' compensation management practices. The Human Resources Manager shall be responsible for employee-related benefits programs such as Unemployment Insurance, Disability Leave, and Family Medical Leave. He/She shall also be responsible for handling claims that allege employment inequity such as Equal Employment Opportunity Commission claims as well as providing training in these topics. He/She is likewise responsible for informing and advising the Executive Director of any significant potential risk exposures related to human resources services.

### 1.3 Associate Executive Director/Director, University Student Union

The Associate Executive Director/Director, University Student Union shall be responsible for ensuring that all sublessors of the Student Union facility provide the ASI with certificates of insurance with limits of liability equal to or greater than those maintained by the ASI. The ASI shall be named as an additional insured on all such policies.

#### 1.3.1 USU Building Services Engineer

The USU Building Services Engineer shall establish standards and conduct programs that address public safety, such as fire prevention, emergency preparedness, traffic control, and building security. He/She shall confer with campus representatives to formulate policies, determine need for building safety programs, and ensure cooperation and coordination of building activities with public safety agencies.
1.4 Managers and Supervisors

Managers and supervisors shall be responsible for complying with the ASI risk management policy and programs as well as identifying and managing risks for their program activities. In order to minimize risks from student and employee activities, managers must be able to identify problems and implement practices and procedures to eliminate or reduce the exposure. Managers, supervisors, and advisors must seek assistance from the ASI Controller prior to entering any binding agreement. With the assistance of the Controller, managers and supervisors are responsible for the following:

- Further the implementation and monitoring of risk management and safety programs at their respective organizational area
- Utilize departments with the responsibilities listed above for all risk management and contract needs
- Instruct employees on performing tasks in a safe manner including job orientation
- Educate new supervisors on the basics of employee supervision techniques, hazard recognition, employee motivators such as incentives or disciplinary procedures, human resource issues and workers’ compensation
- Integrate safety into standard operating procedures
- Establish measurable safety goals in job performance
- Provide guidance to employees on risk management practices unique to their respective areas
- Ensure Managers and Supervisors are receiving appropriate training as well

2.0 Risk Management Elements

ASI shall manage risk through a process of anticipation/identification, evaluation, and control. This management process is designed to allow ASI to carry out its mission with the lowest practicable risk exposure. The aforementioned risk management administrators shall meet as needed to review potential risk situations and recommend appropriate action.

2.1 Anticipation & Identification

The following methods shall be used to anticipate and identify risks related to the campus environment and ASI activities:

- Review and assess Workers’ Compensation claims and Employer’s Report of Occupational Injury or Illness documents
- Schedule and conduct safety inspections
- Investigate accidents and near misses
- Assess campus public safety issues and crime statistics
- Review allegations of inappropriate treatment of students, staff, and visitors
- Investigate and assess reported safety hazards
- Review and evaluate student activities, especially field trips, community service projects, high hazard experiments, sanctioned activities, etc.
- Evaluate ASI contracts for construction, materials, services, etc.

All ASI employees are obligated to report to their supervisor, the Controller, the Human Resources Manager, or Associate Executive Director/Director, University Student Union any situation that they think poses an occupational safety hazard and/or puts the ASI at risk of loss.

The kinds of risk that employees should be alert to include:

- Situations that could lead to death, injury, or inappropriate treatment of employees, students, and guests
- Physical damage to ASI property
- Loss of revenues due to property damage
- Liability claims against ASI due to damage to non-ASI property, and
- Losses resulting from fraudulent or criminal acts

2.2 Evaluation

Identified risks that pose a potentially precedent-setting, broad, or major impact to ASI shall be evaluated by the Executive Director, in conjunction with the Controller and other units as appropriate, based on the following criteria:

- Severity - the amount of human harm or property loss that can occur
- Frequency of Exposure - how often the event or activity, takes place
- Predictability - the ability to anticipate losses associated with specific activities or conditions
- Probability - the actuarial chance of a loss

In order to select the most practicable method of reducing exposure, the Executive Director shall further evaluate risks, taking into consideration cost implications and realized benefits associated with the activity.

Identified risks which pose a narrow and/or case-specific impact will be evaluated by the applicable administrative unit for the determination of appropriate control or mitigation measures.
2.3 Control

Based on the above criteria and assessment, the Executive Director and Controller shall determine what method of control provides the most effective means of risk reduction without compromising the mission of the ASI. The general types of suitable control techniques used shall include:

- Avoidance
- Loss Prevention and Reduction
- Risk Transfer

The responsibility and cost of enforcing the control measure(s) shall be that of the department that controls or generates the activity presenting the risk exposure, subject to the concurrence of the Controller and/or Executive Director.

2.4 Program Monitoring

The Controller shall continually review the ASI and monitor activities to ensure that the goals of the risk management program are achieved. An annual review of occupational injury and illness summary reports, property/personal injury claims reports, and reported ‘near miss’ incidents shall be prepared by the Controller as a basis for evaluating the overall effectiveness of the risk management program. This evaluation process is intended to ensure that the risk management program remains effective and, thus, reduces ASI’s exposure to foreseeable risks and associated losses.

3.0 Purchase of Insurance

Transfer of risk through the purchase of insurance shall be done if:

- Required by law
- The cost of insurance is judged to be preferable to leaving the risk uninsured
- Required by contractual agreement
- Special services such as legal defense, claims handling, adjusters, engineering or loss control services, offered as part of the insurance contract, are of sufficient benefit to ASI to offset the cost

However, insurance will not be purchased if state or federal law prohibits the purchase of insurance.

Self-insuring risks shall be considered if the amount of potential loss would not significantly affect the financial position of ASI.

Negotiations for insurance shall be initiated by invitation to qualified companies rather than by open bidding, but a competitive process among the invited companies shall be mandated. Pertinent ASI policies regarding competitive bidding and awarding of contracts will be followed.
At least every fifth calendar year, the Executive Director, based upon recommendations from the Controller, shall retain the option to re-examine existing broker relationships by soliciting competitive bids from the incumbent broker(s) and at least one other insurance broker.

Selection should be based primarily on the quality of protection and services provided. The ultimate cost is an important secondary concern.

The Controller shall be responsible for the negotiation and procurement of the following insurance coverage:

3.1 Business Property Insurance

Policy shall cover the contents of the University Student Union, Soroptimist House, Recycling Center, and Isabel Patterson Child Development Center, as well as the Soroptimist House real property. Limits shall be sufficient to provide for the replacement costs of property lost, damaged, or stolen.

3.2 Comprehensive General Liability Insurance

Policy shall cover bodily injury and property damage claims with a combined single limit of no less than $1,000,000. A separate endorsement shall be maintained for the Isabel Patterson Child Development Center to provide coverage for sexual harassment claims.

3.3 Automobile Insurance

Policy shall include bodily injury, property damage, collision, medical payment, and uninsured motorist coverage. Combined single limit for bodily injury and property damage shall be no less than $1,000,000. Coverage shall extend to all ASI-owned vehicles. In addition, hired auto and non-owned auto coverage shall be provided to address claims arising from the use of non-owned vehicles for official corporate business.

3.4 Participant Accident Insurance

Policy shall cover claims for medical expenses and accidental death and dismemberment arising from participation in Club Sports, Spirit Programs, and the Child Development Center.

3.5 Fidelity Insurance

Policy shall provide indemnity bonds for all officers and employees of the ASI who handle funds. Blanket bond limit shall be no less $150,000.

3.6 Worker’s Compensation Insurance

Policy shall provide coverage for medical claims from ASI employees injured on the job.

3.7 Other Insurance

The Executive Director shall direct the purchase of additional insurance policies as necessary.
4.0 Insurance Claims

Any incident that may be covered by insurance must be reported to the Executive Director and Controller so that the incident may be evaluated and reported to the appropriate insurance carrier. The Controller will then coordinate with the Executive Director and, if necessary, legal counsel on what actions to take concerning the report.

Legal counsel must be notified of all claims and consulted for guidance if the claim involves bodily injury, personal injury, and/or losses that may significantly affect the financial position of the ASI or any of its departments.

Forms

There are no forms associated with the execution of this policy.