

RISK MANAGEMENT**PROCEDURE**

Implementation Date: 04/12/99

Revised:6/17/04

I. INTRODUCTION

The purpose of the Cal State San Marcos risk management program design is to assist the President in preserving the environmental, health, safety, and financial well being of the campus community, and in preventing and/or reducing exposure to accidental loss. The implementation of this program is dependent on the cooperative partnership of all departments and services associated with the university, their students, and employees.

II. RISK MANAGEMENT PROCESS

The campus' risk management program involves a five-step process:

1. Identification of Risk - Identifying potential exposures to loss is the first step in the process. It is a responsibility of all members of the campus community in the day-to-day process of developing and administering the programs within their area of responsibility and expertise. A method for identifying risk exposure is to consider the possible events that might occur because of negligence, lack of instruction, misconduct, oversight, or by accident. As requested or brought to the Risk Manager's attention, the Risk Manager and the Office of Risk Management and Safety will assist campus departments with this process.
2. Analyzing methods for prevention or reduction of a loss – When potential risks are identified, possible methods to avoid or reduce a loss are to be considered and evaluated for their effectiveness. These methods may include, but are not limited to: transferring risk through contracts and insurance; eliminating or avoiding the risk; training; and various methods of loss prevention and reduction. Consideration is to be given to the frequency and severity of any identified potential loss.
3. Recommending the most effective risk/loss control method – After identifying the risk and considering available and appropriate methods for risk/loss control, the appropriate risk management technique/s is to be selected. The goal of the selected technique/s is to reduce the frequency and severity of a potential loss. If the selected method of risk/loss control varies from the requirements of the CSU or the campus, per its policies and procedures, review by the Risk Manager is required.
4. Implementing the selected method – Once the best risk management technique is selected, the Risk Manager, in conjunction with campus administrators, will ensure the technique is properly implemented.
5. Monitoring and revising the program as necessary – Upon implementation of the selected risk management technique/s, periodic monitoring and evaluating of the effectiveness and efficiency of the technique/s is to be done. Alternative methods may then be implemented as determined appropriate. The responsibility for this step resides with the appropriate administrator or the Risk Manager as decided in the beginning stage of this process.

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III. CLAIMS COVERAGE AND FUNDING

- A. The CSU Risk Management Authority (CSURMA), which includes Cal State San Marcos, provides a funding source to the campus should a loss occur. Workers' Compensation (WC), Unemployment Insurance (UI), Non-Industrial Disability Leave (NDI), Industrial Disability Leave (IDL), and liability coverage are provided through the CSU Risk Management Authority.
- B. Liability coverage is provided for the following:
1. General Liability
 2. Errors & Omissions Liability
 3. Educator's Legal Liability
 4. Medical Malpractice
 5. Employment Practices Liability
 6. Sudden & Accidental Pollution Legal Liability
 7. Small Watercraft Liability (up to 26 ft. in length)
 8. Defense Costs for Covered Occurrences

The campus is responsible for any liability claim, up to a predetermined deductible, brought against the campus and/or its employees who are acting within the scope of their employment.

- C. In addition to funding its deductible, the campus also provides the following insurance coverage:
1. State Vehicle Liability. This program is administered by the Office of Risk and Insurance Management (ORIM) and covers third party claims only. The campus pays an annual premium for each of its vehicles.
 2. Inland Marine Property. This insurance provides coverage for fine arts owned or exhibited by the campus, when identified and submitted for coverage. The campus pays an annual premium for coverage of its permanent fine arts collection, and quarterly premiums for periodic exhibits. Campus units may request and fund coverage by the Inland Marine policy to insure high value personal property of the unit. Questions concerning this coverage are to be directed to Risk Management & Safety at ext. 4502.
 3. Property. Only applies to campus-owned buildings, not contents. The campus pays an annual premium to CSURMA for the cost of this coverage. CSURMA procures the property insurance for all CSU campuses in order to negotiate better terms due to larger capacity procurement.
- D. Special Event Insurance
- This insurance is available for purchase to provide liability coverage for events held on campus that fall into one of the following categories:
- External Group. Do not possess any or adequate liability insurance.
 - Campus Department or Organization. The event is considered to be outside of the scope of the university's intended function.

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- Student Club or Organization. The event is considered to be outside of the scope of the university's intended function.
- Affiliated Organization. The event is considered to be outside of the scope of the university's intended function.
- External Group, Campus Department or Organization, Student Club or Organization, Affiliated Organization. The event poses an excess level of risk to the university.

Rates are established by the university's Special Event Insurance broker based upon a preset formula which includes: a broker administrative fee and taxes, activity hazard level, number of participants, and duration of the event. Risk Management & Safety collects the payment and issues a certificate of insurance. Based upon the recommendations of Risk Management & Safety, the CFO/Vice President for Finance and Administrative Services (CFO/VPFAS) may waive the necessity for special event insurance. The CFO/VPFAS is the only individual with the authority to waive any required special event insurance. Additional information concerning this program is available from Risk Management & Safety at ext. 4502.

E. Athletic and Travel Insurance

1. Athletic Insurance. Cal State San Marcos' Athletic Program purchases insurance coverage for its student athletes through the CSURMA – Athletic Injury Maintenance Expense (AIME) Program and the National Association of Intercollegiate Athletes (NAIA).
2. Student Travel Accident Insurance. The CSU maintains this coverage for students participating in an approved, supervised campus activity requiring travel. This is an accident policy only and does not cover illnesses.
3. Foreign Travel Liability Insurance Program (FTLIP). This insurance coverage is available for purchase by traveling faculty, staff, and students participating in academic related activities. FTLIP is intended for short-term use. FTLIP provides additional financial protection for exposures in excess of those covered by the campus' general liability, workers' compensation, and vehicle liability programs, which may be encountered through claims and litigation in foreign countries. It is available for purchase by campus departments.

F. Vendor Insurance

This insurance is available for purchase to provide general liability and employee dishonesty coverage to assure that there is insurance in place when entering into a contract with a vendor or contractor. Premium rates are dependent on the hazard level of the vendor or contractor services and the dollar amount of the contract. Procurement & Support Services, student organizations and clubs, or campus affiliates may request an application from Risk Management & Safety for a vendor or contractor to apply for coverage.

IV. RESPONSIBILITIES**A. Chief Financial Officer/Vice President for Finance and Administrative Services (CFO/VPFAS)**

The CFO/VPFAS maintains operational responsibility for the overall campus risk management program. The CFO/VPFAS has delegated program implementation responsibilities to the Risk

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Manager. The CFO/VPFAS will serve as the appointing authority for the Risk Management Advisory Committee, which is charged with providing support and assistance in establishing risk policies and procedures. Campus risk issues and policy recommendations from the Risk Manager and Committee will be forwarded to the President and the Cabinet, through the CFO/VPFAS, for review and approval. The CFO/VPFAS represents the campus on CSURMA's Board of Directors, and the Associate Vice President for Human Relations and Campus Enterprises serves as the alternate representative.

B. Associate Vice President, Human Relations and Campus Enterprises (AVP, HR&CE)

The AVP, HR&CE is designated as the campus coordinator for all litigation matters. The AVP, HR&CE is responsible for coordinating the efforts of the campus to assist the Office of General Counsel, or their designee, with lawsuits that involve the campus and/or its employees. As necessary, it is also the responsibility of the AVP, HR&CE, or his/her designee, to serve as the representative of the campus during legal proceedings.

C. Director of Human Resources and Equal Opportunity (Director, HR&EO)

In addition to being responsible for oversight of all Human Resources and Equal Opportunity activities (see III.G. below), the Director, HR&EO is the designated administrator on campus to receive and process protected disclosures by employees and employment applicants regarding improper governmental activity pursuant to the California Whistleblower Protection Act and reported complaints of retaliation in connection with such disclosures. The Director, HR&EO is also the campus designated individual to whom a dean or MPP employee reports the receipt of any allegations of discrimination or sexual harassment.

D. Risk Management & Safety (RM&S)

RM&S is responsible for assisting the campus community in identifying and evaluating environmental, health, and occupational risks associated with campus activities, and identifying the best risk management techniques to address issues of risk and liability. Since most university injuries result from lack of safety training, integration of safety procedures or employee accountability for safety, RM&S will develop safety programs and training to disseminate information to campus employees. Other responsibilities include:

- Injury and illness prevention programs
- Hazardous materials and waste management practices and guidelines
- Laboratory safety programs
- Occupational safety programs to reduce employee and student exposure to hazardous conditions
- Risk assessment program to identify hazardous conditions
- Workers' compensation and return-to-work program management
- Industrial Disability Leave (IDL), including campus benefits reconciliation and reimbursement from CSURMA for unemployment insurance, non-industrial disability, and IDL programs.

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E. Risk Manager

The Risk Manager is responsible for developing and maintaining campus risk management policies and procedures and the implementation of an effective risk management program that includes:

- Providing advice, information and coordination leading to the full implementation of risk management functions by all with program responsibility.
- Identifying and assessing risks and developing methods for controlling their causes.
- Developing and implementing effective loss prevention and control programs.
- Assisting Procurement and Support Services to ensure that contracts and other agreements are reviewed for insurance and indemnification clauses.
- Providing training and education on risk management related issues.
- Communicating sound risk management practices to the campus community.
- Reviewing campus risk management programs and policies annually. The outcome of this review will be included in an annual risk management report to the campus President.
- Maintaining a close working relationship with the system-wide Risk Manager and the California State University Risk Management Authority (CSURMA), to include representing the campus on the system-wide Risk Managers Affinity Group.
- Preparing the annual risk management report to be presented to the President for review.
- Student ADA Appeals

F. Risk Management Advisory Committee

The Risk Management Advisory Committee (RMAC) serves in an advisory role to the campus Risk Manager and assists the Risk Manager in developing risk management policies and procedures. The Committee meets at least annually, or as determined necessary, to discuss current issues and trends. The Committee provides advice and information in support of the full performance of risk management functions. Committee members include the following:

- Risk Manager, Chair
- Director, Risk Management & Safety
- Chief of Police
- Associate Vice President/Dean of Students
- Director, Facility Services
- Director, Human Resources and Equal Opportunity
- Associate Vice President – Academic Resources
- Academic Senate Appointee (2-yr. appointment)
- Director, Procurement and Support Services
- Executive Director, Associated Students, Inc.

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- Executive Director, Foundation/San Marcos University Corporation
- Athletics Program Representative

G. Human Resources & Equal Opportunity

Human Resources & Equal Opportunity (HR&EO) is responsible for all employee-related benefits programs on campus, including Unemployment Insurance, Non-Industrial Leave (NDI), and catastrophic leave. HR&EO handles all complaints and training regarding harassment, discrimination, retaliation, the Americans with Disabilities Act (ADA), California Fair Employment & Housing Act (FEHA) and Family Medical Leave Act (FMLA). HR&EO is responsible for analyzing reasonable accommodations under the ADA, for determining fitness for duty, and for issues regarding workplace violence.

H. Internal Audit

The Office of Internal Audit is responsible for providing an independent, objective consulting activity designed to strengthen and monitor fiduciary controls throughout university operations. It helps California State University San Marcos accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

I. Procurement & Support Services

Procurement & Support Services is responsible for verifying appropriate language in all procurement documents including leases, affiliation agreements, service and construction contracts, and performance contracts to ensure that liability to the campus is minimized as much as possible. **The Director of Procurement & Support Services, the Associate Vice President for Finance & Business Services and the Chief Financial Officer/Vice President for Finance and Administrative Services have been designated by the President as the individuals who have authority to enter into agreements, memoranda of understanding and/or contracts with an outside organization on behalf of the university and its departments and programs. No other members of the campus community are so authorized.** Procurement & Support Services must be contacted prior to entering into negotiation of any type that may result in any form of an agreement, memorandum of understanding or contract.

J. University Police

The University Police department is responsible for protecting and serving the campus community while securing the physical assets of the university. The specific risk management role of the University Police is to provide safe, pro-active law enforcement, and establish and maintain programs for emergency preparedness, fire safety and personal safety/crime prevention education.

K. Administrators and Supervisors

Administrators and supervisors are to assist in controlling financial losses to the campus resulting from injuries to students, employees and visitors, or losses or damages to persons or property. Effective administrators and supervisors will identify potential problems, and then implement policies, practices and/or programs to eliminate or reduce the exposure to such

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losses. With the assistance of the Risk Manager, administrators and supervisors are responsible for the following:

- Providing management support and dedication of financial resources to develop, implement, and monitor loss control programs.
- Instructing employees on performing tasks in a safe manner, including job orientation.
- Providing information and guidance to 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.
- Integrating safety into standard operating procedures.
- Establishing measurable safety goals in job performance.
- Adhering to approved campus policies and procedures, and ensuring employees are familiar with same.

L. Employees

Employees are responsible for complying with campus policies and procedures as well as identifying and managing risks for their program activities. While on the job or representing the university, employees are encouraged to avoid activities that fall outside their authorized scope of authority in order to avoid any personal liability that might be associated with such an activity. Such activities include, but are not limited to, the following:

- Entering into an agreement with another organization (includes other campuses) whether or not the agreement includes use of State funds.
- Acts of discrimination or harassment.
- Unauthorized procurements.
- Misuse of State funds.
- Vehicular accidents.
- Any endangerment of another individual.

V. AUXILIARY ORGANIZATIONS INSURANCE COVERAGE

Cal State San Marcos' auxiliary organizations (Associated Students, Inc. [ASI], CSUSM Foundation [Foundation], and San Marcos University Corporation [SMUC]) are legal entities which are considered separate from the university. As such, each has elected to individually participate in CSURMA's auxiliary insurance programs. Each maintains their own, separate insurance coverage for their respective organizational activities. Please contact ASI at ext. 4990 and Foundation at ext. 4700 for additional information about their risk management programs.

VI. CAMPUS COMMUNITY PARTICIPATION

The campus risk management program encourages all individuals to report any incidents that they witness, and to inform the appropriate department/s of any unsafe practices and/or conditions that they encounter. If an appropriate department is unknown, then the individual should contact one of the following:

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During regular business hours (M – F 8:00 a.m. – 5:00 p.m.)

Risk Management & Safety ext. 4502

24 hours per day, including weekends

University Police ext. 4567 (non-emergency)

In cases of emergency, call ext. 9-1-1 immediately from any campus telephone, or 760-750-3111 from a non-campus telephone.