

REGENTS' POLICY
PART V – FINANCE AND BUSINESS MANAGEMENT
Chapter 05.09 - Risk Services

P05.09.010. Introduction and Purpose.

- A. The board intends to establish a framework within which the university administration can effectively and efficiently establish and maintain a “risk services” program.
- B. Risk services shall include general, occupational, and environmental health and safety, environmental protection, general risk management, loss prevention, emergency management, procurement and administration of insurance, and claims administration. The mission of statewide risk services will be to facilitate the accomplishment of instruction, research, and public service with minimal disruptions and adverse events, and at a reasonable “cost of risk.”

(06-04-15)

P05.09.020. Authority and Authorized Delegation.

- A. The president shall issue university regulation to implement this policy. The president or the president’s designee shall approve payment of all claims and litigation in accordance with university regulation.
- B. The president shall cause to be maintained an effective risk services program, and shall ensure that a statewide chief risk officer, who is trained and experienced in the various aspects of risk management, is appointed to serve as director for the risk services office and oversee the university’s risk services program. The chief risk officer shall report functionally to the president. The president may delegate specific responsibilities under this chapter and assign administrative supervision by regulation or delegation.
- C. Risk services shall have full and unrestricted access to all university records, as may be required to carry out their responsibilities under these policies. The chief risk officer shall report any matters which in the chief risk officer’s sole opinion warrant their direct attention to appropriate officers of the university and shall escalate matters as needed to the president.

(06-04-15)

P05.09.025. Independence.

In matters directly implicating safety or potential for significant loss, the risk services department shall perform its duties free of influence.

(06-04-15)

P05.09.030. Financing.

- A. Each chancellor will be responsible for funding and maintaining adequate resources at their respective universities to ensure risk services are in place to sustain legal and regulatory compliance as well as prudent risk management and business practice. Minimum standards shall be established by the president in consultation with statewide risk services. Consistent with this chapter, the functions and services provided by statewide risk services will be established by the president in consultation with the chancellors.

- B. The risk services program shall be operated and funded using risk allocation methodologies developed in accordance with standards and principles established by the university's chief risk officer, with oversight from the controller's office, and approved by the university's cognizant federal oversight agency, the Office of Naval Research, to the extent applicable. The risk allocation process shall function similar to an insurance premium, resulting in an allocation of the costs of risk to the various universities based on benefit, exposure, and loss experience to the extent practicable. The primary goals of the risk allocation process are to provide a fair, consistent, and reasonable assignment of the costs of risk to the various cost objectives and activities of the university, to encourage managerial accountability for risk decisions, and to help stabilize the annual charges to the operating budget.

(06-04-15)

P05.09.040. Roles and Responsibilities.

Roles and responsibilities under this chapter shall be as provided by university regulation.

(06-08-06)

P05.09.090. Definitions.

In this chapter:

- A. An "incident" is an occurrence that has the potential to lead to a claim for damages or penalties, including harm or damage to persons or property or violations of permits or laws.

- B. A "claim" is an assertion by a person or entity that the university is responsible to the entity or person for damages or penalties, including verbal and informal assertions.

- C. "Cost of risk" includes but is not limited to premiums, self-insurance, loss control, administration, losses, deductibles, loss exposures.

(06-04-15)

UNIVERSITY REGULATION
PART V – FINANCE AND BUSINESS MANAGEMENT
Chapter 05.09 - Risk Management and Environmental Health and Safety

R05.09.010. Introduction and Purpose.

The university, through its established management structure and as delineated below, shall maintain appropriate Risk Management and Environmental, Health and Safety (RM/EHS) programs for all university operations. It will strive for standardization and consolidation of RM/EHS programs and the sharing of professional skills to the extent practicable in order to make the most efficient use of resources as well as providing for operational consistency for campus application and use. The statewide office of risk management will coordinate these activities with the campuses, institutes, and extended sites, and facilitate implementation of such programs and processes under these premises whenever possible to assure accountability and provide oversight as required by the Board of Regents and system administration.

(05-07-07)

R05.09.020. Authority and Authorized Delegation

The university's chief finance officer is authorized to implement and administer the university's RM/EHS programs in accordance with Regents' Policy 05.09 and these regulations. Such authority and powers may be delegated to the statewide chief risk officer and others qualified and capable of carrying out the responsibilities. The statewide chief risk officer may further delegate RM/EHS authority and powers to others qualified and capable of carrying out the responsibilities. Such delegations shall be in writing, updated on a periodic basis, and subject to the limitations stated in the delegation. Authority to make binding offers of settlement of litigation or claims is delegated by the university president. Settlement delegations shall be in writing and may only be re-delegated as authorized by the university president.

(05-07-07)

R05.09.030. Financing.

Funding for the operations of the statewide office of risk management is generated by an annual allocation of the cost of risk to each MAU reflecting the proportionate share of each unit, based on their respective exposures (such as personnel, payroll, facilities, vehicles, etc), loss history (actual), actuarial projected losses, risk management and environmental health and safety operating costs, outside services (such as brokers, consultants, IT services, and actuarial fees), insurance premiums, and other related costs. The monies are deposited each year into the self-insurance pool, a non-lapsing liability account, which is to be accessed only for the above listed purposes and expenditures. The liability account balance is intended to be maintained at a level sufficient to cover expected claims and the minimum balance should be maintained at no less than the 50% confidence level, based on professional actuarial projections. The statewide office of risk management must maintain proper and accurate accounting of the above costs of risk funded by the self-insurance pool.

(05-07-07)

R05.09.040. Roles and Responsibilities.

All members of the university community have a role in maintaining a safe and healthful university environment. This is best accomplished by ensuring compliance with all applicable laws and risk management and environmental health and safety program requirements.

A. Statewide Office of Risk Management and Environmental Health & Safety

1. General

- a. Design, staff, and organize services to align qualified professional personnel with system needs and assist in coordination of all MAU risk management activities.
- b. Review and analyze current operations and programs, as well as plans and proposals for future activities, to identify risk exposures, facilitate better informed strategic decision making, improve practices and processes, and enable a better allocation of capital and resources to address risk.
- c. Facilitate best practices by developing, implementing, and coordinating programs, processes, procedures, training, education programs, and any other effective means.
- d. Design, develop, and implement programs, procedures, guidelines, and processes to minimize or mitigate risk exposures and facilitate the correction of situations that have an unacceptable level of risk.
- e. Design and implement loss prevention, cost containment, and other programs that reduce the frequency and severity of loss, the cost of risk, and improve personnel safety and environmental protection.
- f. Design and implement emergency preparedness, disaster and business continuity programs.
- g. Establish and administer the Compliance Assurance and Assistance Program to assist in maintaining regulatory compliance with environmental health and safety statutes, regulations, policies, and program requirements.
- h. Provide oversight and guidance to departments for the conduct of Environmental Site Assessments (ESA) required prior to acquiring an interest in real property, including leasehold interests, donations, easements, use permits, etc.
- i. Design and provide for meaningful training in risk management principles and functions applicable to a variety of operational areas.

- j. Disseminate information to university community on requirements of appropriate federal, state and university laws, regulations, policies, and procedures.
- k. Establish insurance requirements for contracts, agreements and operations which may only be waived by the CFO, statewide chief risk officer, or designee as delegated in writing.

2. Claims

For purposes of this regulation, claims against the university include those made by individuals for damages, injury, or death arising out of alleged university negligence, workers' compensation claims, and claims for damage or loss of university property, including non-owned property for which the university is contractually liable and property that is in the university's care, custody, or control.

- a. Establish and maintain communications network for prompt efficient claims management and the reporting of incidents, claims, and lawsuits to the statewide office of risk management.
- b. Only the president, general counsel, statewide chief risk officer, or their designees, are authorized to investigate, approve and pay for claims and litigation, (including the cost of defense).
- c. Investigate, monitor, and settle claims within authority delegated by the president.
- d. Self-insured claims will be settled consistent with the terms and conditions of excess insurance policies and/or coverage guidelines developed and promulgated by the statewide chief risk officer.
- e. Determine coverage for losses or claims under the university's insurance program.

3. Insurance

For purposes of this regulation, insurance includes all types of insurance except student health insurance administered by the student services departments and life, health, and long term disability insurance programs administered by the statewide office of human resources.

- a. Develop and administer risk financing techniques to protect the university from the costs of normal and expected property and casualty losses as well as catastrophic losses through a combination of self-insurance, commercial insurance, contractual risk transfer, and other techniques.

- b. Develop and implement special risk insurance programs for the university, students, and the university community.
- c. Issue certificates and evidence of insurance in response to requests from outside entities.
- d. Retain the services of brokerage firms and/or insurance agencies.
- e. Collaborate with the State of Alaska or other appropriate institutions and entities to obtain mutually beneficial insurance programs.

B. Campus Administration

- 1. Administration shall provide appropriate financial and organizational support to assure UA operations are conducted in compliance with legal and risk management and environmental health and safety program requirements.
- 2. Provide facilities and equipment required and compatible for a safe working and learning environment.
- 3. Ensure individuals under their management have the authority and support necessary to implement effective risk management and health and safety programs.
- 4. Establish procedures for the dissemination of information and implementation and monitoring of risk management and environmental health and safety programs including procedures to ensure compliance with required reports to Statewide Risk Management.
- 5. Designate individuals responsible for authorizing contractual agreements and establish procedures to ensure regular review of contracts for compliance with legal, risk management, and other business requirements.

C. Campus Offices of Environmental Health and Safety & Risk Management

- 1. Develop and assist in the implementation of programs for safe and healthy work practices.
- 2. Provide staff support to safety and other relevant campus committees.
- 3. Provide risk management and environmental health and safety training and materials.
- 4. Operate hazardous waste disposal services.
- 5. Monitor compliance with risk management and environmental health and safety programs.

6. Provide guidance and technical assistance to supervisors and managers in identifying and evaluating risks and correcting hazards.
 7. Maintain operational and specialty material licenses, permits and registrations of devices (x-ray, etc.).
 8. Stop any activity that presents an unreasonable health and safety risk to employees, students, visitors or the environment.
 9. Report immediately to the Statewide Office of Risk Management any occurrence resulting in a loss of life or requiring the hospitalization of one or more people; any declared disaster at any campus or facility; or any situation requiring the implementation of either a campus or university emergency operations plan and use of public response agencies.
 10. Report to the Statewide Office of Risk Management within eight (8) hours all claims and lawsuits; property damage or loss expected to result in a claim over \$10,000; and any environmental release that is reportable to a federal, state or local regulatory agency.
 11. Report to the Statewide Office of Risk Management within 24 hours all injuries to third parties (anyone who is not an employee); employee injuries requiring a doctor visit or time off work; all motor vehicle accidents involving the university and a third party; any other situation that may give rise to an adverse claim against the university; and or, any official visit by a regulatory agency that involves either a compliance audit or a documented Notice of Violation from that agency.
- D. Campus supervisors, faculty, principal investigators, first line supervisors, and all other persons designated responsibility for managing or supervising students and/or employees:
1. Supervisors are responsible for compliance with legal and risk management and environmental health and safety program requirements.
 2. Supervisors are responsible for assessing the potential hazards associated with the activities of the participants in the programs and operations under their authority, reducing or eliminating identified hazards, communicating hazards and protective measures to the participants, and seeking technical assistance for these tasks from risk management and environmental health and safety as needed.
 3. Supervisors are responsible for ensuring that participants in their programs and operations are adequately trained and able to perform their tasks safely.
 4. Supervisors are responsible for facilitating hazard reviews, inspections and/or audits of their programs and operations as well as taking prompt action when unsafe or non-compliant acts or conditions are discovered or reported to them.

5. Supervisors must report unsafe acts or conditions, non-compliance, injuries, or incidents to the appropriate internal department.
6. Report immediately to a RM/EHS office any occurrence resulting in a loss of life or requiring the hospitalization of one or more people; any declared disaster at any campus or facility; or any situation requiring the implementation of either a campus or university emergency operations plan and use of public response agencies.
7. Report to a RM/EHS office within eight (8) hours all claims and lawsuits; property damage or loss expected to result in a claim over \$10,000; and any environmental release that is reportable to a federal, state or local regulatory agency.
8. Report to a RM/EHS office within 24 hours all injuries to third parties (anyone who is not an employee); employee injuries requiring a doctor visit or time off work; all motor vehicle accidents involving the university and a third party; any other situation that may give rise to an adverse claim against the university; and or, any official visit by a regulatory agency that involves either a compliance audit or a documented Notice of Violation from that agency.

E. Faculty, Staff, and Students

1. Participate in training programs.
2. Promptly report unsafe conditions, environmental health hazards, as well as injuries and illnesses to the cognizant supervisor or program director.
3. Give due consideration to personal safety and the safety of others.
4. Adhere to applicable laws and risk management and environmental health and safety program requirements.
5. Understand that disregard of legal or risk management and environmental health and safety requirements can result in disciplinary action.
6. Actively promote safety and loss prevention in all activities.

(10-12-07)