Definition

The policy of California State University San Marcos is to provide a safe and secure learning environment. The campus' Risk Management Program has been established to reduce the risk of financial loss and to preserve the human and physical resources of the University by identifying and analyzing risks, implementing loss control techniques and transferring financial responsibility where appropriate. The Risk Management Program requires participation, cooperation and involvement of all members of the campus community.

The overall responsibility for the University's Risk Management Program is held in the Office of the President. The operational responsibility for coordinating the Risk Management Program has been delegated by the President to the Director of Risk Management and Safety. The campus Risk Management Program includes, but is not limited to: implementation of good risk management practices including those required by the Chancellor's Office or regulatory authority; the Injury and Illness Prevention Program (IIPP); development of appropriate campus procedures in conjunction with the Chancellor's Office and campus departments; implementation of campus claims coordination for workers' compensation and liability claims; review and purchasing of insurance coverage; contract review; campus litigation coordination; and participation with the CSU Risk Management Authority.

Authority

29 USC 654 (OSHA Act Section 5(A)(1) and 5(A)(2)); Title 8, California Code of Regulations, Section 3203; Executive Orders 638, 715, 849, 1039; CSU Coded Memorandum 95-10; CSU Technical Letter HR/WC 6520 95-02. The campus President may authorize changes to this policy and/or related procedures.

Scope

This policy and any related procedures apply to all areas and members of the campus community.

Karen S. Haynes, President

Approval Date: 4/22/09

Revised: 4/9/2009
Revised: 6/24/2004
Implemented initially: 4/12/1999
I. INTRODUCTION

The purpose of the California State University San Marcos Risk Management Program is to assist the President in preserving the environmental, health, safety and financial well-being of the campus community, preventing and/or reducing exposure to accidental loss, creating opportunities which support the goals and mission of the University. The implementation of this program is dependent on the cooperative partnership of all departments and services associated with the University, their students, employees and auxiliaries.

Executive Order 715 states, “Each campus President shall develop campus risk management policies and procedures that include an ongoing process by which appropriate administrators identify risks, perform analysis of the frequency and severity of potential risks, select the best risk management techniques to manage the risks without unduly curtailing or modifying activities necessary to the CSU mission, implement appropriate risk management techniques and staffing standards, and monitor, evaluate, and document the results. The campus risk management policy shall include methods to prioritize risks and evaluate costs which would be incurred to provide restoration for damages sustained as well as the evaluation of funding options to ensure availability of funds. The method used should be documented as part of the risk management policy and procedures. The campus policy should include an evaluation process that includes the collection of relevant data and an annual risk management report to the campus President.”

II. RISK MANAGEMENT PROCESS

The campus’ Risk Management Program involves a five-step risk assessment process that is similar to the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control and the Enterprise Risk Management Risk Assessment (ERM) Integrated Framework models:

1. Identification of Risk – Identifying potential loss exposures is the 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 exposures is to consider the possible events that might occur due to negligence, lack of instruction, misconduct, oversight or by accident. Risk Management and Safety (RMS) will provide consultation to campus departments regarding 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 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, to reduce the frequency and severity of a potential loss. Review by the Risk Manager is required if the selected method of risk/loss control varies from the policy and procedure requirements of the CSU or the campus.
4. Implementing the Selected Method – Once the best risk management technique(s) is selected, campus administrators, through support by RMS, will ensure the technique(s) is properly implemented.

5. Monitoring and Revising the Program as Necessary – Upon implementation of the selected risk management technique(s), periodic monitoring and evaluation of the effectiveness and efficiency is necessary. Alternative methods may then be implemented as determined appropriate. The responsibility for this step resides with the appropriate administrator or the Risk Manager as jointly decided in the initial stage of this process.

III. CLAIMS COVERAGE AND FUNDING

The CSU Risk Management Authority (CSURMA), which includes California State University San Marcos, provides a funding source to the campus should a loss occur. 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 course and scope of their employment. In addition to funding its deductible, the campus provides the following insurance coverage:

1. General Liability (GL) coverage is provided for the following:
   a. Errors and Omissions Liability
   b. Educator's Legal Liability
   c. Medical Malpractice
   d. Employment Practices Liability
   e. Sudden and Accidental Pollution Legal Liability
   f. Small Watercraft Liability (up to 26 ft. in length)
   g. Defense Costs for Covered Occurrences
   h. Student Professional Liability (SPLIP & SAFECLIP)
   i. Crime (ID Fraud)
   j. Fidelity Crime Insurance

2. Workers' Compensation (WC)

3. Unemployment Insurance (UI), Non-Industrial Disability Leave (NDI), Industrial Disability Leave (IDL)

4. Property - This coverage only applies to campus-owned buildings, not contents. The campus pays an annual premium for this coverage. CSURMA procures the property insurance for all CSU campuses, by negotiating better terms through large capacity procurement.

5. Auto Liability - This coverage is administered by the Office of Risk and Insurance Management (ORIM) and only covers third-party claims. The campus pays an annual premium for each of its vehicles.

6. Athletic Insurance - This coverage is available to students participating in intercollegiate athletics, as a team member or prospective team member through the CSURMA Athletic
Injury Maintenance Expense (AIME) Program and the National Association of Intercollegiate Athletes (NAIA). This coverage serves as secondary coverage to the student’s primary health insurance.

7. Special Event Insurance - This coverage is available for purchase to provide liability coverage for events held on campus that fall into one of the following categories:
   a. An outside organization that does not possess any or adequate liability insurance.
   b. A campus department or unit, a student club or organization, or an auxiliary organization when an event is considered to be outside the scope of the University’s intended function.
   c. All organizations, campus departments or units, student clubs or organizations, or auxiliary organizations when an 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 event. RMS collects the premium and issues a certificate of insurance. Through a completed risk assessment and RMS recommendation, campus event organizers may waive or risk out the necessity for Special Event Insurance.

8. Inland Marine - This coverage is available 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.

9. Foreign Travel Liability Insurance Program (FTLIP) - This coverage is available for traveling faculty, staff and students participating in academic related activities abroad. 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. FTLIP is available for purchase by campus departments.

10. 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 excludes illness.

11. Vendor Insurance - This coverage is available for purchase by a vendor or contractor to provide general liability and employee dishonesty coverage to assure that there is insurance in place when entering into a contract with the University. Premium rates are dependent upon the hazard level of the services being provided and the dollar amount of the contract. Vendors or contractors should coordinate an application request through Procurement and Support Services.

Additional information regarding these programs is available from Risk Management & Safety at ext. 4502.
IV. RESPONSIBILITIES

A. Vice President, Finance and Administrative Services (VPFAS)

The VPFAS maintains operational responsibility for the overall campus Risk Management Program. The VPFAS has delegated program implementation responsibilities to the Director, Risk Management and Safety. The 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 VPFAS, for review and approval.

B. Associate Vice President, Human Resources and Risk Management (AVP, HRRM)

The AVP, HRRM is designated as the campus coordinator for all litigation matters. The AVP, HRRM 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, HRRM, or designee, to serve as the campus representative during legal proceedings. The AVP, HRRM represents the campus on CSURMA’s Board of Directors.

C. Director, Human Resources and Equal Opportunity (HREO)

The Director, HREO is designated 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, HREO is also designated to receive employee complaints of discrimination or harassment.

D. Risk Management and Safety (RMS)

Through the leadership of the Director, RMS is responsible for assisting the campus community in identifying, evaluating and mitigating environmental, health and occupational risks associated with campus and work-related activities. The role of RMS is to assist the process-owner by identifying the best risk management technique(s) to address issues of risk and liability.

As most University injuries result from lack of safety training, integration of safety procedures or employee accountability for safety, RMS will develop and implement safety programs and training to disseminate information and guidance to campus employees and students. Additional internal training and orientation should be provided to employees and students at the departmental or program level.

Other responsibilities include:

1. Injury and Illness Prevention Programs (IIPP)
3. Laboratory Safety Programs
4. Environmental Compliance Programs
5. Occupational Safety Programs
6. Risk Assessment Programs
7. Workers’ Compensation Programs
8. Return-to-Work Programs

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:

1. Providing consultation, guidance, tools and coordination in the implementation of risk financing and risk controls.
2. Identifying and assessing risks and developing methods for risk control.
3. Developing and implementing effective Loss Prevention and Control Programs.
4. Assisting Procurement and Support Services to ensure that contracts and other agreements include appropriate insurance and indemnification clauses.
5. Providing training, education and communicating sound risk management practices to the campus community.
6. An annual review of the campus Risk Management Program policies and procedures, the outcome of which is included in the annual risk management report.
7. Maintaining a close working relationship with the system-wide Risk Manager and CSURMA, to include serving as the campus representative on the system-wide Risk Managers Affinity Group and as the alternate representative for the CSURMA Board of Directors.
8. Preparing the annual risk management report to the President.

F. Risk Management Advisory Committee (RMAC)

The RMAC serves in an advisory role and assists the Risk Manager in developing risk management policies and procedures. The Committee meets annually, or more frequently 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:

1. Risk Manager, Chair
2. Director, Risk Management and Safety
3. Chief of Police
4. Dean of Students
5. Director, Facility Services
6. Director, Human Resources and Equal Opportunity
7. Associate Vice President, Human Resources and Risk Management
8. Associate Vice President, Academic Resources
9. Academic Senate Appointee (2-yr. appointment)
10. Director, Procurement and Support Services
11. Executive Director, Associated Students, Inc.
12. Executive Director, University Auxiliary and Research Services Corporation
13. Associate Vice President, Campus Enterprises
14. Director, Athletics

G. Human Resources and Equal Opportunity
HREO is responsible for all employee-related benefit programs, including Unemployment Insurance (UI), Non-Industrial Leave (NDI) and Catastrophic Leave. HREO manages training and complaints pertaining to harassment, discrimination, retaliation, the Americans with Disabilities Act (ADA), California Fair Employment & Housing Act (FEHA) and the Family Medical Leave Act (FMLA). HREO is responsible for analyzing reasonable accommodations under the ADA, for determining fitness-for-duty and for concerns regarding workplace violence.

H. Payroll
Payroll is responsible for managing benefit payments to employees, campus benefit reconciliation and coordinating reimbursement from CSURMA for Unemployment Insurance (UI), Non-Industrial Disability Leave (NDI) and Industrial Disability Leave (IDL) Programs.

I. Accounting
Accounting is responsible for offering a proactive approach to reducing financial risk and providing reasonable assurance that the University’s goals and objectives will be achieved through internal controls. Internal controls are a means to ensure regulatory and fiduciary compliance. This is accomplished through physical safeguarding of assets; separation of duties; and accountability in delegation of authority, policies and procedures, and trainings. Accounting applies the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control and Enterprise Risk Management (ERM) Risk Assessment Integrated Framework when applying risk assessment and internal control methods. This methodology is applied most commonly through internal and external audits by the CSU, Generally Accepted Accounting Practices (GAAP), and Financial Integrity and State Managers Accountability Act (FISMA).

J. Procurement and Support Services (PSS)
PSS is responsible for verifying appropriate language in all procurement documents including leases; student placement agreements; affiliation agreements; and service, construction, and performance contracts to ensure that liability to the campus is minimized. The Director of Procurement and Support Services, the Associate Vice President for Business and Financial Services and the Vice President for Finance and Administrative Services have been designated by the President as the only 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. PSS 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.

K. University Police Department

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

L. Administrators and Supervisors

Administrators and supervisors are to assist in controlling the loss of financial and human resources to the campus resulting from injuries to students, employees and visitors; or losses or damages to persons, property or campus image. Administrators and supervisors will conduct departmental risk assessments and implement policies, practices and/or programs to eliminate or reduce the exposure to such losses. With the assistance from RMS, administrators and supervisors are responsible for the following:

1. Providing management support and dedication of financial resources to develop, implement and monitor Loss Control Programs and settlement reserves.
2. Instructing employees on performing tasks in a safe manner, including job orientation.
3. 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.
4. Integrating safety into standard operating procedures.
5. Establishing measurable safety goals in job performance.
6. Adhering to approved campus policies and procedures and ensuring employees are familiar with same.

M. Employees

Employees are responsible for complying with campus policies and procedures as well as identifying and managing risks in the scope of their daily activities. While on the job or representing the University, employees are encouraged to avoid activities that fall outside their usual course and scope of employment to avoid personal liability that might be associated with such an activity.

V. INSURANCE COVERAGE FOR AUXILIARY ORGANIZATIONS

California State University San Marcos’ auxiliary organizations; Associated Students, Inc. (ASI), Alumni Association, CSUSM Foundation, University Auxiliary and Research Services Corporation (UARSC) and San Marcos University Corporation (SMUC) are legal entities which are considered separate from the University. Each has elected to individually participate in CSURMA’s Auxiliary Insurance Programs. Each maintains their own, separate insurance
coverage for their respective organizational activities. The auxiliary organizations should be contacted directly for additional information about their Risk Management Programs.

VI. CAMPUS COMMUNITY PARTICIPATION

The campus community is encouraged 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 UPD at x4567 or RMS at x4502 for assistance.