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## **UCLA Policy 300: University Insurance and Risk Management**

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Issuing Officer: Associate Vice Chancellor, Business & Financial Services

Responsible Dept: Office of Insurance and Risk Management

Effective Date: July 1, 1998

Supersedes: UCLA Policy 130, dated 5/1/1979

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### **I. REFERENCES**

### **II. STATEMENT**

### **III. NEW PROGRAMS**

### **IV. RESPONSIBILITIES**

### **V. ATTACHMENTS**

## **I. REFERENCES**

1. Risk Management Policy, University of California, adopted by the Board of Regents of the University of California, January 1970;
2. See Attachment A for references to specific procedures or Bulletins.

## **II. STATEMENT**

Responsibility for the assets of the University, both human and property, requires the highest possible concern for the safety of students, employees, and the public, combined with a concern that the maximum protection be accorded University property to prevent financial loss. The University recognizes its ability to budget for and thereby retain limited and predictable risks of financial loss. It shall not be the University's practice to attempt to insure such foreseeable and bearable expenses if alternatives can be achieved with due regard to sound business practice. When programs have implemented the best security procedures possible, the remaining risks, together with the probabilities of their occurrence and their impact on assets and funding sources shall be considered and financial provisions, including direct budget, self-insurance, or commercial insurance shall be arranged.

Currently, the University combines commercial insurance coverage with a Self-Insurance Program to achieve adequate coverage at a reasonable cost for its various risks. Attachment A contains a list of the University's commercial insurance policies, its Self-Insurance Program, and references to specific Procedures and Business and Finance Bulletins.

## **III. NEW PROGRAMS**

### **A. General Liability Premiums**

Beginning with the 1997/1998 fiscal year, University of California Office of the President (UCOP) mandated that the campuses assume responsibility for the funding of General Liability claims which are handled under the General Liability Self-Insurance Program.

Prior to this, the funding was provided by UCOP on a cash flow basis. The result was an unfunded actuarial liability which must be retired over a period of years. In addition, the campuses must now fund the new claims which arise annually.

In order to accomplish this funding, there is now a yearly premium allocation to each campus by UCOP. Office of Insurance and Risk Management (OIRM) in turn will assess campus units on each unit's pro-rata share of the total campus payroll. In the future, OIRM will have an actuarially formulated database which may be used to allocate the premiums according to a unit's loss experience.

#### **B. In the Future**

General Liability Program costs have risen considerably during the decade of the nineties, particularly in the area of Employment Practices claims. Such claims are extremely costly to defend and can result in very large jury verdicts. In addition, the litigious climate in Southern California continues to raise the cost of defending other General Liability claims.

OIRM desires to improve loss intervention in the General Liability claims arena in order to reduce the cost of General Liability claims. To this end OIRM conducts training programs and is exploring other methods for the future, including the possible establishment of a rate additive program similar to that which exists for the Workers' Compensation Program.

#### **IV. RESPONSIBILITIES**

- A.** University insurance and risk management is coordinated centrally by the Systemwide Insurance and Risk Management Office. This office is responsible for arranging the purchase of commercial insurance policies and for managing all self-insurance programs.
  
- B.** The UCLA Office of Insurance and Risk Management is responsible for identifying campus liability and property risks and for recommending means of eliminating, abating, transferring, or retaining these risks. All campus insurance requests are coordinated through this office in order that insurance activity and trends on campus can be monitored. Questions should be addressed to the Office of Insurance and Risk Management, Wilshire Center, Suite 860, Mail Code 135248, (310) 794-6948.
  
- C.** Medical Risk Management coordinates professional liability/medical malpractice insurance for Medical Enterprises (See UCLA Procedure 303.1). For medical malpractice information, contact Medical Risk Management, 924 Westwood Blvd., Suite 740, Mail Code 163246, (310) 794-3500.
  
- D.** Employee health insurance and retirement are administered by Campus Human Resources Benefits and Services Division. For information on health insurance and retirement, contact the Benefits Representative in Benefits and Personnel Services, Campus Human Resources, 10920 Wilshire Blvd., Suite 200, Mail Code 146548, (310) 794-0830.
  
- E.** For information on Workers' Compensation call the Office of Insurance and Risk Management (OIRM), Wilshire Center, Suite 860, Mail Code 135248, (310) 794-6948.

**V. ATTACHMENTS**

- A. Commercial Insurance/Self-Insurance Program Coverage
- B. Addendum to Attachment A

**Issuing Officer**

**/s/ Sam J. Morabito**

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**Associate Vice Chancellor, Business &  
Financial Services**

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**Questions concerning this policy or procedure should be referred to  
the Responsible Department listed at the top of this document.**

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**Commercial Insurance/Self-Insurance Program Coverage**

<b><u>Insurance Coverage and Program</u></b>	<b><u>UCLA Policy/Procedure References</u></b>	<b><u>UC Business and Finance Bulletin References*</u></b>
A. Commercial Insurance		
1. Aircraft Liability		
2. Airport Liability		
3. Boiler and Pressure Vessels		
4. Business Interruption		
5. Comprehensive Dishonesty, Disappearance, and Destruction Bond		G-29
6. Comprehensive General Liability	300.1	Bus-9, Bus-28, Bus-39, Bus-75, G-28
7. Fine Arts and Collections	300.4	Bus-1, Bus-28
8. Foreign Automobile		
9. General Liability in Foreign Countries		
10. Marine		Bus-75
11. Malpractice		Bus-9
12. Nuclear Liability		Bus-75
13. Open Cargo (Foreign Shipment)	300.5	Bus-1, Bus-28
14. Accidental Death and Dismemberment: University Travel and Hazardous Employment		Bus-74
15. Student Off-Campus Injury: Accidental Death and Dismemberment		Bus-23
B. Self-Insurance		
1. General / Auto Liability	300, 300.1	Bus-9, Bus-28, Bus-39, Bus-63, Bus-75, P101.1
2. University Property Program and Property Self-Insurance Program	300.2	Bus-1, Bus-28, Bus-29, Bus-39, Bus-71, G-29
3. Vehicle Physical Damage Program	300.3	Bus-35, Bus-46, Bus-69
4. Transit	300.5	Bus-28
5. Workers' Compensation	305.1	Bus-73

\* All UC Business and Finance Bulletins ([www.ucop.edu/ucophome/policies/bfb/](http://www.ucop.edu/ucophome/policies/bfb/))

Addendum to Attachment A

<u>Last Revised</u>	<u>UC Business and Finance Bulletins Applicable or Referenced in These Policies and Procedures</u>
07/01/1992	<b>Section 1: BUS-1</b> , Fine Arts Insurance Program <i>[Rescinded 10/1/2010. See BUS-81]</i>
06/14/1991	<b>Section 9: BUS-9</b> , Professional Medical and Hospital Liability Self-Insurance Program
02/01/1987	<b>Section 23: BUS-23</b> , Insurance Coverage for Students Engaged in Off-Campus Activities
07/15/1995	<b>Section 28: BUS-28</b> , Property Self-Insurance Program
08/01/1994	<b>Section 29: BUS-29</b> , Management and Control of University Equipment
10/15/1987	<b>Section 35: BUS-35</b> , Vehicle Accident Reporting and Claim Procedures
10/15/1987	<b>Section 39: BUS-39</b> Loss of or Damage to Property of Individuals
09/01/1994	<b>Section 46: BUS-46</b> , Use of University Vehicle
07/01/1992	<b>Section 63: BUS-63</b> , Insurance Requirements/Certificates of Insurance
07/01/1992	<b>Section 69: BUS-69</b> , Vehicle Physical Damage Self-Insurance Program
07/14/1991	<b>Section 73: BUS-73</b> , Workers' Compensation Self-Insurance Program
07/01/1992	<b>Section 74: BUS-74</b> , Business Travel Accident Insurance
04/15/1988	<b>Section 75: BUS-75</b> , General and Automobile Liability Self-Insurance Program
08/29/1997	<b>Section 28: G-28</b> , Policy and Regulations Governing Travel – (pdf)
07/01/1992	<b>Section 29: G-29</b> , Procedures for Investigating Misuse of University Resources