

# OAKLAND UNIVERSITY

## ADMINISTRATIVE POLICIES AND PROCEDURES

### 1050 RISK MANAGEMENT/INSURANCE POLICIES & PROCEDURES

**SUBJECT:** RISK MANAGEMENT/INSURANCE POLICIES & PROCEDURES

**NUMBER:** 1050

**AUTHORIZING BODY:** VICE PRESIDENT FOR LEGAL AFFAIRS AND GENERAL COUNSEL

**RESPONSIBLE OFFICE:** RISK MANAGEMENT DEPARTMENT

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**RATIONALE:**

This policy ensures that the identification and mitigation of insurable risks occurs in an efficient, cost-effective manner and that the purchase of insurance is coordinated through the Office of Risk Management. In addition, Oakland University (University) must promptly report to the insurance providers loss events that could give rise to a claim. Failure to meet reporting obligations may result in non-payment of claim expenses.

**DEFINITIONS:**

- **Certificate of Insurance:** A document issued by an insurance company/broker that verifies the existence of insurance coverage under specific conditions.
- **Deductible:** The amount the insurer will deduct from the loss before paying up to its policy limits.
- **M.U.S.I.C.:** Michigan Universities Self-Insurance Corporation.

- **Personal Identifiable Information (PII):** Any information that can uniquely identify a person, such as their name, address, Social Security number or email address.
- **Third Party Administrator (TPA):** Administrative services provider that performs claims processing and reporting components of a self-funded benefit plan.
- **University Authorized Drivers (UAD):** Recurring UAD is an individual who operates a university vehicle as part of their job on a recurring basis (more than once per week). Non-recurring UAD does not meet the minimum requirements of a Recurring UAD.

#### **POLICY:**

The Office of Risk Management is authorized to purchase property, liability and other non-employee fringe benefit insurance for general and specific risks, based on an institutional assessment of the potential for losses and the cost to insure against a loss.

As per Exhibit A: Insurance Allocation/Expense Matrix, the breadth and scope of coverage will depend upon the insurance policies in effect for the current fiscal year.

Individual units are prohibited from using University funds to purchase separate insurance policies. If a specific insurance coverage is required for an activity, unit, or sponsored project, the Office of Risk Management will work with the unit to secure the necessary insurance coverage.

All claims of property loss or bodily injury will be reviewed and handled by the Office of Risk Management. Workman's Compensation claims will be managed by Human Resources Benefits & Compensation office. Litigated Claims will be handled by the Office of Legal Affairs in cooperation with the Office of Risk Management and a Third Party Claims Administrator.

All exceptions to this policy will be referred to OU AP&P #402 Exceptions to Administrative Policies and Procedures.

#### **SCOPE AND APPLICABILITY:**

This policy applies to all University faculty, staff, students and volunteers.

#### **PROCEDURES:**

##### **1) Foreign Travel**

Faculty, staff and students traveling outside of the United States for University purposes are required to register for the international health insurance provided by Oakland University. Refer to the Risk Management website for registration details.

## **2) Requests for Oakland University Certificates of Insurance**

Refer to the Office of Risk Management website for specific insurance certificate request instructions. The Office of Risk Management will prepare certificates within three (3) business days of the request.

## **3) OU Approved Transportation Services (Charter Buses, Limousine Services, Shuttle Buses)**

OU Approved Transportation Service Vendors are listed on the Purchasing Department website.

Departments requesting transportation services from companies that are not on the Preferred Provider Transportation Services list MUST verify the company has the required insurance limits listed in Risk Management Exhibit C and that the company is registered with the Federal Motor Carrier Safety Administration (FMCSA) and they have a "Satisfactory" safety rating; refer to the Risk Management website for instructions.

## **4) Notary Public (Notaries)**

The office of Risk Management will secure Surety Bonds for qualified Oakland University employees requesting to become a Notary Public in the State of Michigan. Refer to the Risk Management website for detailed procedures.

## **5) Premium, Excess Coverage and Administrative Expense Allocations**

Annually (typically in the second quarter of the fiscal year), a portion of the insurance cost and administrative expense is allocated to the auxiliary units that benefit from the University's insurance coverage. See attached Exhibit A for an executive summary.

## **6) Deductibles**

Property: All property claims will be assessed the current property insurance deductible. Auxiliary Units are responsible for 100% of the deductible. Non-auxiliary Units are responsible for a portion of the deductible, see Risk Management Exhibit A.

Auto: All Auto Insurance claims will be assessed the current auto insurance deductible. Auxiliary Units and Non-Auxiliary units are responsible for 100% of the deductible.

## **7) Insurance Coverage & Limits for Construction Projects and Activities or Services**

At the inception of the contract, it is the responsibility of the department initiating the contract to verify insurance coverage meets the requirements detailed in Exhibit B and C, as permitted per Exhibit D, or as approved by Risk Management and file proof of insurance with the contract before the commencement of work.

Departments are encouraged to periodically review insurance limits throughout the life of the contract to confirm such limits haven't changed since the inception of the contract. Modifications from the insurance requirements can be changed or waived only by the Office of Risk Management. Insurance requirement modifications and/or cancellations received after the commencement of work should be directed to the Office of Risk Management.

All RFPs (Request for Proposal) must follow the insurance provision requirements outlined in Exhibit B Construction Projects Insurance Coverage Requirements or Exhibit C Activities or Service Insurance Coverage Requirements. Any deviations must be reviewed by the Office of Risk Management before the advertisement of the RFP.

Insurance Waiver Requests not covered in Exhibit D: Refer to the Office of Risk Management website for instructions.

## **8) Reporting Claims and Incidents**

Non Work-related incidents that could give rise to a claim must be reported to the Office of Risk Management within 24 hours of the occurrence by completing the Risk Management On Campus Accident/Incident eForm. Claims handling procedures and payment methods may vary depending on the size, type and complexity of the loss and will be determined by the Office of Risk Management.

### **Automobile Claims**

#### **Vehicles owned, leased or rented by the University**

If a university-owned vehicle is damaged while on campus, a police report must be filed with the Oakland University Police Department (OUPD). If the damage or loss occurs off-campus a report should be made to the local police. The UAD or supervisor must inform the Office of Risk Management of the accident as soon as possible but no later than one (1) business day after receiving notification from the UAD. It is the UAD's responsibility to request a copy of the police report be sent to the Office of Risk Management. Please refer to the Risk Management website for details.

#### **Auto Claims Exceeding the Current Deductible**

For any claim involving repairs exceeding the current deductible, three (3) estimates must be obtained and submitted to the Office of Risk Management for approval before proceeding with repairs. The services of an independent claims adjuster may also be required.

Auto repairs less than the current deductible are the responsibility of the department. All repairs are paid for and managed by the department.

**UAD Personal Vehicles** UAD's driving their own personal vehicles on University business must carry the current lawfully required amount of personal auto insurance. The UAD's personal automobile coverage shall be the primary insurance coverage for claims that occur on University business. The University will not provide automobile physical damage insurance coverage (comprehensive and/or collision) for privately owned/leased/rented vehicles (See OU AP&P #1200 Travel).

**UAD and University Vehicles** UAD's operating University vehicles or equipment are covered for damages to property of others and/or bodily injury claims within the Michigan No-Fault Act. Risk Management shall report all such related claims to the University's Third-Party Administrator for handling.

## **IT Incident**

### **Lost, Stolen or Missing Computer, Smartphone or other Media Storage Device**

Any theft of or tampering with hardware, software or stored data including laptops, desktops, mobile devices, electronic storage devices or servers, must be reported immediately to the Chief Information Officer (CIO) and the Office of Risk Management. (Refer to OU AP&P #860 Information Security for instructions).

### **Potentially Compromised Computer, Tablet, Smartphone or other Media Storage Device**

Incidents involving loss of PII, whether stored electronically or in a hard copy format, must be reported immediately to the (CIO) and the Office of Risk Management. (See also OU AP&P #860 Information Security for detailed instructions.)

## **Property Claims**

University property that has been damaged or stolen must be reported to the OUPD and the Office of Risk Management as soon as possible. It is of the utmost importance to preserve any damaged items for evaluation. Pictures should be taken of the damage. No repairs should take place without prior Risk Management approval. (Refer to Risk Management's website for detailed instructions. See also OU AP&P #360 Property Management ).

### **Third Party Claims**

Potential claims involving third parties should be directed to the Office of Risk Management. If a lawsuit has been filed, the Office of Legal Affairs should be contacted directly.

### **RELATED POLICIES AND FORMS:**

- OU AP&P #360 Property Management
- OU AP&P #402 Exceptions to Administrative Policies and Procedures
- OU AP&P #610 Driving Practices and Standards
- OU AP&P #860 Information Security
- OU AP&P #1200 Travel

### **APPENDIX:**

Exhibit A - Insurance Allocation/Expense Matrix

Exhibit B - Construction Projects Insurance Coverage Requirements

Exhibit C - Activities or Services Insurance Coverage Requirements

Exhibit D - Risk Management Approved Activities/Events Insurance Requirement  
Waived