

# ADMINISTRATIVE POLICIES AND PROCEDURES

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**SUBJECT:** RISK MANAGEMENT/INSURANCE POLICIES AND PROCEDURES  
**NUMBER:** 1050  
**AUTHORIZING BODY:** FINANCE AND ADMINISTRATION  
**RESPONSIBLE OFFICE:** RISK MANAGEMENT  
**DATE ISSUED:** JUNE 2010  
**LAST UPDATE:** APRIL 2018

**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) has an obligation to 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.

**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.

Methods to allocate premiums and administrative expenses are determined by the Office of Risk Management annually in consultation with Finance and Administration.

All claims of property loss or bodily injury will be reviewed and handled by the Office of Risk Management. 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.

**DEFINITIONS:**

**Certificate of Insurance:** A document issued by an insurance company/broker that verifies the existence of insurance coverage under specific conditions. The document lists the effective and expiration dates of the policy, identifies the specific types of coverage, and the applicable insurance limits and deductibles.

**Deductible:** The portion of the claim not covered by insurance.

**M.U.S.I.C.:** Michigan Universities Self-Insurance Corporation

**PII:** Personal Identifiable Information

**Third Party Administrator:** An organization that handles claims processing and reporting components of a self-funded benefits plan

**UAD:** University Authorized Driver

**PROCEDURES:**

1) **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.

**Property Deductible**

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 attached Exhibit A.

**Auto Insurance Deductible**

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.

**OU Approved Buses, Limos, Shuttles**

OU Approved Vendors are listed on the Purchasing Department website.

Departments requesting Charter Bus Companies, Buses, Limos and Shuttles that are not on the OU Approved Vendor list, MUST verify the following standards:

- SafeStat score of less than 75 in each category and a “Satisfactory” safety rating. Scores can be found on the following website for [Passenger Carrier Safety](#).
- A minimum of \$5 million in Auto Liability coverage, and Oakland University & Board of Trustees listed as additional insured.

## 2) Foreign Travel

The University provides insurance coverage for faculty, staff and students who are traveling overseas either on University business, or as part of a study abroad class or program. Prior registration is required; visit the [Risk Management](#) website to register.

Travel restrictions may exist for certain countries, which may limit insurance coverage. Check with the Office of Risk Management or Office of International Education for further information.

All claims are handled by the Third Party Administrator; detailed claim filing instructions are located on the [Risk Management](#) website.

If participating in higher risk activities, a waiver of liability will be required.

If renting/leasing a vehicle in a foreign country, local insurance MUST be purchased at the time of rental.

Contact the Office of Risk Management for current information or visit the [Risk Management](#) website

## 3) 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 seven (7) business days of the request.

## 4) 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 prior to 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 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 prior to advertisement of the RFP.**

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

## **5) Reporting Claims**

Incidents that could give rise to a claim must be reported to the Office of Risk Management within 24 hours of occurrence. 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**

#### **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. No automobile physical damage insurance coverage (comprehensive and/or collision) for privately owned/leased/rented vehicles shall be provided by the University. (See AP&P 1200 Travel Expense Reimbursement Sec 5.)

#### **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.

- a. If a vehicle is owned, leased or rented by the University and 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 Risk Management website.
- b. 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 prior to 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.**

### **Cyber Claims**

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. (See also OU AP&P #860 Information Security).

### **Loss of Personal Identifiable Information (PII)**

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)

### **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. (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 Policy #402 Exceptions to Administrative Policies and Procedures

OU AP&P #360 Property Management

OU AP&P #860 Information Security

OU AP&P #1200 Travel

OU AP&P #610 Driving Practices and Standards

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