Policy on Risk Management

SUMMARY

This policy describes actions to be taken by University employees and departments to reduce the risk of accidental loss or injury to persons or damage to property.

GENERAL POLICY

The University recognizes that there is exposure to accidental injury to persons and loss or damage to property inherent in its programs and activities. It is University policy for every employee to act to reduce the risk of such accidental loss or injury to the greatest extent feasible, consistent with carrying out of the University’s mission of teaching, research, and service or outreach. WSU resources must be protected from financial loss resulting from such events.

PROGRAM OBJECTIVES

To accomplish the goal of effective management of risks, the University’s risk management program is established to identify and analyze loss exposure and safety hazards, develop and select the best techniques or combination of techniques for treating risks, implement effective administration of each risk treatment plan, and monitor the results produced or achievement of change.

Risk management includes actions taken both before and after a loss occurs and is directed towards reducing risks and reducing the frequency and severity of losses. When analyzing a loss exposure and its treatment, the impact on the entire campus, as well as on individual departments, is evaluated. The University uses various combinations of the following methods to manage risks to the institution.

Risk Control Methods

Risk Avoidance

The University may elect to avoid undesirably high risks and programs with excessive costs by refusing to undertake unsafe activities or by discontinuing high-risk programs.

Loss Prevention and Loss Reduction

Risks inherent in the existence and operation of the University can be reduced, resulting in a decrease in both frequency and severity of accidental losses. It is the responsibility of each unit and its personnel to conduct the business of the University in such a way as to reduce or prevent hazards to individuals and property and to evaluate the risk cost potential when developing new programs.

Risk Financing Methods

Risk Retention

It is the general policy of the University to retain the financial responsibility for its risks of accidental loss to the maximum extent possible without jeopardizing the financial position of the University or the continuation of essential programs. Risks may be retained through either pre-funded (self-insurance) or post-funded (non-insurance) programs, after evaluation of the risk exposure. Self-insured programs are funded through contributions to the Self-Insurance Liability Fund managed by the Department of General Administration, Office of Risk Management. See RCW 4.92 et. seq. and RCW 43.19 et. seq.
Risk Transfer

The financial responsibility for risks may be transferred to others through contractual agreements or through the purchase of insurance. The entity having responsibility for an approved program may be allowed or required to insure those exposures which are determined to be too large for that unit to retain. Accordingly, insurance is purchased when it is not deemed prudent to retain the risk based on comparison of the cost of insurance with the risk potential. Further, the University may purchase insurance when required by law, bond, or contractual agreement, when real properties are financed with student fees or other non-state appropriated funds, or when non-University property is under the care, custody, or control of the University. Commercially insuring risks does not alter the responsibility of the University, its units, or personnel for compliance with required and appropriate safety and security standards.

Risk Management Program Development

The University cooperates with the state Office of Risk Management in the development of the University’s risk management program. The effectiveness of both programs is enhanced by the discussion of major program changes prior to implementation and the periodic review of coverages in effect.

ORGANIZATION

University Health and Safety Committee

The University Health and Safety Committee is appointed by the President and advises the Vice President for Finance and Administration and the Department of Risk Management Services on the structure, policies, and operation of the University’s risk management program.

Department of Risk Management Services

The Department of Risk Management Services, within the Department of Finance and Administration, administers, coordinates, and evaluates the risk management program of the University. The Risk Manager reports to the Vice President for Finance and Administration and has the responsibility and authority for the following:

- Coordinating risk management activities with the University’s Health and Safety Committee.
- Coordinating activities with the Office of the Attorney General and soliciting and receiving legal advice whenever appropriate.
- Assessing risk through identifying, measuring, and evaluating risk exposures based on information provided by other programs.
- Determining potential impact of University actions on liability exposures;
- Analyzing and selecting those risks to be retained and those which should be insured, selecting the appropriate risk treatment program, and establishing types and limits of coverage to protect the University’s resources;
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Department of Risk Management (cont.)

- Evaluating and recommending areas where non-insurance is desirable and economically feasible;
- Purchasing and administering all University liability and property insurance coverages;
- Administering self-insurance program claims and recommending adjustments or settlements of insured or self-insured losses;
- Recommending selection of insurance related services (excluding employee/student benefits), such as brokerage and claims administration services;
- Coordinating activities with the workers’ compensation program.
- Maintaining close liaison with the Department of Environmental Health and Safety and other University departments having responsibility for health, public safety, safety, or security issues.
- Maintaining close liaison with the state Office of Risk Management and other state and federal agencies.
- Providing or coordinating training to employees and staff as needed to prevent or reduce exposure.
- Creating web pages for links to relevant information.
- Implementing the strategic plan of the Department of Risk Management Services.
- Reporting to departments on accidents, injuries, liabilities and other risk management activities.
- Acting as a resource for WSU units regarding risk management issues.