

WASHINGTON STATE UNIVERSITY
EXECUTIVE POLICY MANUAL

Executive Policy #6
Revision Approved November 5, 2018

Policy on Risk Management

SUMMARY

The University recognizes that risk of accidental injury to persons and loss or damage to finances, property, and reputation is inherent in its programs and activities.

WSU resources must be protected from financial loss resulting from such risks.

It is University policy for every employee and student to reduce the risk of injury and accidental loss to the greatest extent feasible, consistent with carrying out the University's mission of teaching, research, and service or outreach.

Risk management includes actions taken before and after a loss occurs.

This policy describes actions to be taken by University employees and students to reduce the frequency and severity of risks and losses.

REQUIREMENTS

University employees and students **must** identify and implement:

- **Risk controls** to prevent and reduce the frequency and severity of injury to persons, and damage to WSU's finances, property, and reputation; **and**
- **Loss controls** to prevent and reduce the frequency and severity of losses and to recover from losses as quickly as possible.

Risk Controls

Risk controls prevent injury to persons and damage to WSU's finances, properties, and reputation. Risk controls include:

- **Avoidance** (eliminate activity or product)
- **Purchase** (purchase activity or product with a written contract)
- **Prevention** (training, personal protective equipment)
- **Reduction** (fire detectors and sprinklers, fume hoods)
- **Separation** (flammable storage room or cabinet)
- **Duplication** (cross training staff, same process in two locations)
- **Combination of controls**

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Loss Controls

Loss controls reduce the frequency and severity of losses and recover from losses as quickly as possible. Loss controls include:

- **Insurance** -- Purchasing insurance to recover losses when they occur;
- **Transfer by contract** -- Establishing contracts to transfer responsibility for payment of losses to activity or product contractor;
- **Self-Fund/Self Insure** -- Establishing dedicated cash reserve for loss;
- **Loss Recovery Planning and Implementation** -- Establishing business continuity plan using WSU Ready:

oem.wsu.edu/planning/continuity-planning-wsu-ready/

Risk and Loss Management Process

The risk and loss management process includes:

- **Identification** -- Identification of risks and losses specific to operations and locations.
- **Analysis** -- Analysis and development of the following:
 - Risk controls to reduce the frequency and severity of risks for injury to persons and damage to WSU's finances, properties, and the reputation of operations and locations;
 - Best loss controls to reduce the frequency and severity of losses for operations and locations; and
 - Emergency response and business continuity plans for loss events for operations and their locations.
- **Financing and Implementation** -- Determination of methods to finance and implement risk and loss controls for operations and locations.

Contact WSU Risk Management Services (RMS) for assistance; telephone 509-335-3041; e-mail riskmanagement@wsu.edu.

ORGANIZATION

Risk Management Executive Committee (RMEC)

The RMEC implements the Enterprise Risk Management (ERM) process at WSU. The ERM process is a business process, led by senior leadership, that extends risk management throughout the WSU system to support its common mission, strategic plan, and initiatives.

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Risk Management Advisory Group (RMAG)

The RMAG is appointed by the President and provides recommendations to the RMEC and RMS on the structure, policies, and operation of the University's risk management program. The RMAG also provides risk management guidance to WSU units, students, and employees.

Risk Management Services (RMS)

RMS, a part of Finance and Administration, coordinates and evaluates the risk management program for the University and has responsibility and authority for the following:

- Coordinating and supporting the RMAG.
- Providing support for the RMEC.
- Coordinating and collaborating with the Attorney General's Office to solicit and receive legal advice as needed.
- Assessing risk through identifying, measuring, and evaluating risk exposures.
- Determining potential impact of University actions on liability exposures;
- Providing recommendations and options to decision makers on risks to be retained and risk and loss control options, including types, limits, and costs of insurance coverage options to protect the University's resources;
- Purchasing and administering all University liability, property, and other insurance coverages;
- Administering or contracting self-insurance program claims and recommending adjustments or settlements of insured or self-insured losses;
- Leading and coordinating the selection of insurance-related services, such as brokerage and/or claims administration services;
- Collaborating with the workers' compensation program.
- Maintaining close liaison with the Department of Environmental Health and Safety (EH&S) and other University departments having responsibility for health, public safety, safety, security, or insurance issues.
- Maintaining close liaison with the state Department of Enterprise Services' Office of Risk Management and other state and federal agencies.
- Providing or coordinating training, websites, tools, information, and other resources to the WSU community to increase risk awareness and reduce risks and losses.

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RMS (cont.)

- Developing and implementing a strategic plan for RMS.
- Reporting to departments about the frequency and severity of accidents, injuries, liabilities, and other risk management activities.
- Acting as a resource for WSU regarding risk management issues.