RISK MANAGEMENT AND INSURANCE POLICY

PURPOSE

The purpose of this policy is to ensure that risks to Long Island University are identified, considered, and managed in order to support effective operation of the University as an educational institution and that the University manages a comprehensive insurance program to appropriate manage property and other assets.

This policy establishes the framework for a formal risk management program by designating responsibility for risk identification and analysis, planning for risk mitigation, and outlining program management and oversight. Program management and oversight is a University-wide responsibility that calls for the active involvement of executive leadership, departmental management, data stewards, and others involved in decision-making concerning risks.

The University utilizes qualified partner capable of developing and recommending insurance and risk financing or funding programs, policies, techniques, and cost allocation methods for property/casualty and other lines of business as requested or directed by the University, as well as plan designs and carriers for student health insurance including evacuation/repatriation, special events accident insurance and sports injury insurance as requested or directed by the University.

STATEMENT OF POLICY

It is the University’s policy to foster a culture that encourages pursuing opportunities that further strategic and operational priorities, while effectively managing risk. It is recognized that virtually all activities carry a degree of uncertainty and require the University to strike an appropriate balance between managing risks and pursuing strategic opportunities.

The University encourages strategies to prevent loss, including: development of educational materials as well as training programs for employees and students as appropriate; legal and safety audits aimed at early identification and resolution of compliance risks; and cooperation with insurance carriers to take advantage of risk reduction resources.

A strategic risk management program, maintained within the Budget Office in consultation with General Counsel, mitigates exposures and losses that may give rise to incidents associated with life safety, reputational, financial, operational and asset risk.

The following personnel play key roles in confirming with University policy:

- **VP of Finance**: Overall executive sponsor; guides the risk mitigation process; communicates with senior leadership regarding activities which create risk and related mitigation strategies; makes final determination of appropriate risk mitigation strategies to be adopted.
- **Finance AVP/ Budget Director**: Overall process owner and manager; identification of activity-related risks; risk mitigation strategy selection; claim assessment; liaison with risk reduction...
program managers; liaison between LIU and Broker of Record; insurance evaluation & renewal management; provide proof of insurance coverage to all relevant parties.

- **University Counsel**: Advise and assist with any litigated and potentially litigated matters.
- **Division heads/Vice Presidents/Business unit owners**: Advise the Budget Office of any new activities or changes in existing activities, so such activities can be evaluated to determine if the activities create new risks and require additional mitigation strategies.
- **Risk reduction program managers**: Execute assigned risk reduction programs as directed by the Budget Office; timely notification of any concerns or issues identified; maintain appropriate documentation of program completion to provide to other constituents and third parties as needed.
- **Faculty, staff, contractors and volunteers**:
  - Report all incidents that may occur which may give rise to a claim, and cooperate with all investigations associated with such incidents or claims at the request of the Budget Office and/or other parties included in the investigation including but not limited to University Counsel, Law Enforcement, and Insurers or others as appropriate.
  - Complete training as needed to support risk reduction programs and loss prevention.
  - Provide institutional information as needed for insurance applications, surveys, and program development in a factual and accurate manner.

The Budget Office consults with departments regarding student health insurance, conducts risk control programs in a manner consistent with best practices for life safety, reputational, financial, operational, and property asset risk mitigation, and supports departments in establishing risk reduction programs. This includes the assessment and selection of appropriate Broker of Record providers for all applicable insurance coverage(s) required or associated with conducting LIU’s business.

Budget Office responsibilities also include the procurement of insurance, management of internal claims, through insurers. Internal functions associated with this policy include: risk management and insurance, environmental health and safety, and resilience and crisis management.

**PROCEDURES**

For Standard Operating Procedures and procedural expectations associated with this Policy, refer to:

*Long Island University Standard Operating Procedure- Risk Management and Insurance (SOP LIU F-B-1005)*

**DEFINITIONS**

*Risk*: The potential of harm to the University or its stakeholders, including but not limited to physical risks, property risks, and risk of criminal conduct and other noncompliance.

*Risk Assessment*: An evaluation of the nature and magnitude of risk to the University. The evaluation is based upon known or theoretical vulnerabilities and threats, as well as the likelihood of the threats being realized and the potential impact to the University and its stakeholders.
Risk Management: A continual process of analyzing and responding to risks to the University in order to reduce those risks to acceptable levels. Risk management includes the risk assessment process, and uses the results of risk assessments to make informed decisions on the acceptance of risks or on taking action to reduce those risks.

POLICY TYPE: FINANCE