

**SUBPART 4-6**  
**RISK MANAGEMENT AND INSURANCE POLICY**

**Sec. 4-601. Purposes of the Risk Management and Insurance Program.** The policy of the Board is that the University be protected against fortuitous loss or losses which, in the aggregate during any financial period, would significantly affect the ability of the University to continue to fulfill its responsibilities to its students and to society.

**Sec. 4-602. Property and Casualty Insurance.** The University shall carry general property and casualty insurance to cover the following risks:

- (1) Property Insurance
- (2) Casualty Insurance
- (3) Workers' Compensation
- (4) Crime Insurance

With respect to said property, casualty and crime risks, the University may retain up to a maximum loss per occurrence of \$150,000 and up to a maximum annual loss of \$500,000 within the applicable insurance coverage, except as otherwise provided in this subpart. The University may terminate any insurance coverage where the risk no longer exists. Participation by the University in the Michigan Higher Education Risk-Sharing Facility to cover any of the risks identified in this section shall be deemed compliance with this section as to the risks covered by such participation.

With respect to said worker's compensation risks, the University shall provide workers' compensation benefits for its employees as prescribed by law. With respect to the provision of such benefits, the University may retain up to a maximum loss per occurrence of \$300,000 within the applicable insurance coverage with a one-year maximum aggregate of \$800,000. Excess workers' compensation insurance shall be maintained to provide for the coverage of claims in excess of the per-occurrence limits.

**Sec. 4-603. Administration of Risk Management and Insurance Program.** Administration of the University's Risk Management program shall be the responsibility of the Vice President for Administration & Finance, or designee.

**Sec. 4-604. Reports to the Board.** The Board shall be notified within thirty (30) days with respect to any substantial changes (e.g., major retention changes, limits, exclusions, etc.) in coverage under the University's insurance program. An annual report shall be provided to the Board covering the University's risk management program and insurance.

**Sec. 4-605. Intent of this Subpart.** The provisions of this subpart are for the benefit of the University and it is not the intent of this subpart to create any rights in third parties.

*Cross-Reference:*

Business Policy, *Risk Management and Insurance*

Business Policy, *Risk Management Policy*

*Prior Board Action:*

October, 1998.

Entire Subpart 4-6 included in October 19, 2001 Codification, Phase I.

Entire Subpart 4-6 included in October 22, 2004 Codification, Phase II.