

BUSINESS POLICY LETTER

TO: All Members of the University Community

97:29

DATE: September 1997

RISK MANAGEMENT POLICY

(Supersedes 88:1)

I. INTRODUCTION

In keeping with the Risk Management Policy adopted by the Board of Trustees of Ferris State University on July 6, 1983, the following insurance requirements are necessary.

II. POLICY

It is the policy of Ferris State University to require that all companies performing more than ten hours work on Ferris State University property, will provide this University with Certificates of Insurance. The Certificate of Insurance will provide Ferris State University assurance that the company has the following amounts and types of insurance in effect:

| | |
|---------------------------------|--|
| Workers Compensation | \$100,000 bodily injury by accident \$100,000 bodily injury by disease \$500,000 bodily injury by disease per policy limit |
| Comprehensive General Liability | \$1,000,000 per occurrence/\$1,000,000 aggregate |
| Auto Liability | \$1,000,000 per occurrence, single limit, bodily injury and property damage |

Note: Additional insurance coverage may be required in specific instances.

The Certificates of Insurance shall also provide Ferris State University with the following: policy effective date, policy expiration date, policy number, companies affording insurance, producer, insured, certificate holder (Ferris State University), and assurance that at least 30 days notice to Ferris will be given upon cancellation of insurance.

Exceptions to this policy will not be made unless circumstances exist that warrant alternative consideration. In such cases, the company or person unable to obtain proper amounts of insurance may be required to sign and agree to hold Ferris State University harmless for any potential or realized liability.

III. PROCEDURE

The Purchasing Department will include in all bid and quotation requests, pertaining to work and other various activities on Ferris property, a copy of the University's insurance requirements.

The Purchasing Department will also keep and maintain a file of Certificates of Insurance that will be organized in an alphabetical file designated solely for these certificates. This file will be located in the Purchasing Department.

The vendor file in the Purchasing module of the Financial Record System has a field identified as "Vendor Type". This field will be used to identify companies which are the type required to provide insurance certificates. When new vendors are set up, the Purchasing Department will attempt to determine whether the vendor will be working on campus.

An annual review of vendors will be done to determine whether the required certificates are on file. Companies in this category that do business with Ferris on a regular basis not having certificates on file will be sent a letter of request and a copy of the policy.

When a Certificate of Insurance is received, Purchasing will enter the information into a database. Quarterly reports will be done to identify companies with expired or insufficient insurance. These reports will be reviewed and appropriate action will be taken.



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Contact Office: Purchasing