

## **Risk and Insurance Management**

This school district shall maintain a well-planned and coordinated program of risk management which provides a program of protection and insurance and/or self insurance for all liability of all members of the Board, employees, and agents of the district while in the performance of official district duties for damages to persons or property, which insures and/or self-insures the district from losses due to employee dishonesty, injury and death.

Personal property of employees will not be insured. The only exception is for loss by fire on district property and then the district's fire insurance will provide secondary coverage to the employee's own insurance.

A guideline principle shall be that if the loss potential in dollars for a particular risk is substantial and cannot be assumed within the budget or controlled through inspections and training, then a program of insurance should be developed and maintained.

### **Management**

A coordinated system of current records shall be maintained to include insurance policies, loss and claims reports and program costs.

The administrators charged directly with the risk management program are to maintain regular communications with the district's insurance agent, the district's attorney, and the personnel responsible for property accounting.

### **Program Review**

A thorough review of the program shall be conducted at least annually. Not less than every three years, the excess carrier will perform an audit of the district's program. The adequacy of the district's insurance program should be measured according to coverage, service and cost.

### **Agent of Record**

The district will retain a single agent of record for casualty and property insurance and bonds. The agent is responsible for assisting the district administration with the development of a sound insurance program and for obtaining and serving all necessary policies and statutory bonds.

### **Insurance Reserve Fund**

The purpose of the fund is to separately identify the financial reserves necessary to cover insurance deductibles and other self-insurance needs of the district's insurance management program. It is essential

that the financial integrity of the fund be preserved for its stated purposes and minimum levels should be established through such measures as actuarial analysis and others.

Revenues into the fund will be budgeted by transfers from the general fund in amounts determined annually to meet the purposes of the fund.

Expenses from the fund will occur as self-insured claims to pay the cost of deductibles under the excess liability policy and the fire and extended coverage policies and/or all risk losses to other property. Risks that may be transferable but which are elected for retention by the district may also be covered by the fund. Such risks are identified as infrequent occurrences of loss, such as architect fees not covered by reconstruction after loss or demolition costs required by municipal agencies before remodeling. In addition, the insurance premiums for property damaged by fire or other cause and liability claims is an expense to this fund.

The fund also accounts for the costs of life, long-term disability and unemployment coverage whereby expenses are estimated using actuarial calculations and/or pay for current and future obligations based upon contractual obligations.

The financial objective is to accrue an amount sufficient to pay the current and future costs of claims which can be computed using actuarial calculations.

### **Workers' Compensation Fund**

A separate fund will be maintained to account for costs and reserves of the Workers' Compensation Program. The fund will pay for all administrative costs, service fees, state assessments and excess insurance premium costs which are related to management of the program. Time loss payments to employees and medical claim costs shall be paid by the fund.

Revenues into the fund will be budgeted by transfers from the general fund in amounts determined annually. The rate of standard premiums as set by the Workers' Compensation Board of the state of Oregon and the district's own loss ratio will be the basis for determining the amounts to be transferred. A continuing goal of the program shall be to maintain reserves in the funds which are adequate to pay present and future employee claims, control costs, promote recovery and prevent accidents. These reserves shall be invested until needed for payment of claims so that investment earnings will aid in the costs of administration of the program.

**END OF POLICY**

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#### **Legal Reference(s):**

[ORS 30.260 - 30.265](#)

[ORS 278.005 - 278.215](#)

[ORS 332.435](#)

[ORS 332.437](#)

