

# RISK MANAGEMENT

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Department Training Materials

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# Risk Managements Mission, Vision, & Responsibilities

## Mission & Vision

- To encourage and support practices that mitigate the effect of adverse events that affect people, property, and the mission of UH as a whole
- SAM 01.C.01 - Definition of Risk Management
  - The preservation and safekeeping of the assets and financial resources of the institution
- Eliminate, modify, transfer and/or insure existing and potential risks
- Evaluate insurance needs for main and component campuses

## Summary of Responsibilities

- Insurance Procurement
- Claims Management
- Contract Review
- Loss Control
- MVR Compliance

# Contract Review

- Review existing and potential risks
  - Before the University enters into an executed contract
- Set standard insurance requirements for Contractors engaging in business with the University
- The insurance standards are prudent, reasonable, and easily attainable in the insurance market place
  - These insurance requirements provides the University with the assurance that there is financial protection to cover the obligations of those seeking to work with the University
- Waiver, Deviations, and Exceptions
  - Risk Management reviews
  - A Waiver or Deviation form is required
  - Must be a low risk exposure for the University (example: photographers)

# When Does Risk Management Need to Review?

- Standard Purchasing Agreement
  - All agreements that have amended insurance language or waiver request
- Standard Contract Addendum
  - All agreements that have amended insurance language or waiver request
- Non-Standard agreements
  - When insurance is requested of the University and/or Contractor
- All other University agreements
  - All agreements that contain insurance requirements

\*Note, if the activity appears to have any risk involved (Examples: animals on campus, bounce houses, food or beverages being served, contractors, etc.) please be sure to contact Risk Management to discuss if insurance should be required, even if there is no contract

# Insurance Language in the Standard Purchasing Agreement

- 10. INSURANCE:** Unless an appropriate University representative agrees to waive the requirements by initialing the designated space near the signature block below, Contractor shall comply with the following requirements (“Insurance Requirements”): Contractor shall maintain on a primary basis, at its sole expense the following insurance coverage’s described herein. Commercial General Liability insurance coverage of \$1,000,000 per occurrence. If, during the Term, Contractor will enter University property, Contractor shall also maintain the following insurance: (i) Worker’s Compensation coverage as required by law with statutory limits for the State of Texas, including Employers Liability coverage of \$1,000,000 per accident; (ii) Commercial Automobile Liability coverage of \$1,000,000 Combined Single Limit; In the event Contractor does not own automobiles, Contractor agrees to maintain coverage for Hired & Non-Owned Auto Liability, which may be satisfied by way of endorsement to the Commercial General Liability Policy or a separate Commercial Auto Liability Policy (iii) for engineers and architects only: Professional Liability coverage of \$5,000,000 per occurrence; and (iv) for builders only: Builder’s Risk coverage in the amount of the construction cost, including protection against named windstorm and flood. All policies must contain a waiver of subrogation against University. Commercial General Liability and Commercial Automobile Liability policies must name University as Additional Insured. Contractor shall provide Certificates of Insurance evidencing the Insurance Requirements prior to the start of work

# Non Standard Agreements

1. Commercial General Liability Insurance. Shall be in place through any warranty period and will include Independent Contractor's liability, Elevators, Products and Completed Operations, Explosion, Collapse, Underground Hazards and Contractual Liability, covering, but not limited to, the liability assumed under the indemnification provisions of this contract, fully insuring Contractor's (or Subcontractors) liability for bodily injury and property damage with a combined bodily injury (including death) and property damage minimum limit of:

\$1,000,000 per occurrence  
\$2,000,000 general aggregate  
\$2,000,000 products and completed operations aggregate  
\$ 100,000 Fire Damage  
\$ 10,000 Medical Payments

2. Property. Insurance covering the full value of Tenant's property and improvements, and other property (including property of others) in the Premises.
3. Workers' Compensation. Insurance with limits as required by the Texas Workers' Compensation Act, with the policy endorsed to provide a waiver of subrogation as to the Owner, Employer's Liability insurance of not less than:

\$1,000,000 each accident  
\$1,000,000 disease each employee  
\$1,000,000 disease policy limit

A Waiver of Subrogation in favor of Landlord with respect to injuries/illness to Tenant's employees is required. A copy of the endorsement to policy must be submitted to the Landlord's Office of Risk Management. Non-subscribers may be required to provide proof of financial strength by providing a letter of credit from a financial institution or other such proof of financial assurance. Self-Insured entities will be required to provide a copy of their Certificate of Authority to Self-Insure as provided by the Texas Department of Insurance, Division of Workers' Compensation.

4. Comprehensive Automobile Liability. Insurance covering owned, hired, and non-owned vehicles, with a combined bodily injury (including death) and property damage minimum limit of \$1,000,000 per occurrence for those claims not subject to the Texas Tort Claims Act. No aggregate shall be permitted for this type of coverage. Such insurance is to include coverage for loading and unloading hazards.

# University Agreements with Insurance Language

- c. Insurance: Licensee further agrees to purchase at its own expense a Comprehensive General Liability insurance policy, at a limit of liability not less than \$1,000,000 Each Occurrence / \$2,000,000 Aggregate, including public liability and property damage, written by a company licensed to do business in the State of Texas and acceptable to University. Coverage shall not contain any endorsement(s) excluding nor limiting Products/Completed Operations, Contractual Liability or Cross Liability the University shall be named as an additional insured in any insurance policy required hereunder. Licensee agrees that the insurance purchased hereunder shall be primary coverage and will contain no terms allowing the insurer to be subrogated to the rights of any injured or damaged person or entity.

# Self Insurance Letters

- The University is “self insured” for General Liability and Workers Compensation coverage
  - What does this mean?
  - Typically we do not provide the University’s insurance information to vendors unless it is required
  - Upon request, Risk Management will provide statement of insurance letter



# Insurance at the University of Houston

- State Sponsored Policies
  - Policies placed by SORM (State Office of Risk Management)
    - Arthur J. Gallagher
    - Alliant
- Non-sponsored Policies
  - Policies placed by private brokers
- “Self-insurance”
  - General Liability
  - Workers Compensation
- Sovereign Immunity and Limited Liability

# Insurance Policies

## State Sponsored

- Automobile
- Directors & Officers/Employment Practices
- Property
- Builder's Risk
- Aircraft (TxDOT)

## Non-Sponsored

- Fine Arts (Non-Owned)
- Drone
- Commercial Crime
- Inland Marine (UH Main & UHV)
- Inland Marine (Scheduled Aircraft equipment)
- Blanket Accident
- Medical & Professional
- Foreign Package (General Liability and Auto Only)
- Broadcasters & Publishers Professional Liability
- Leased Premises Liability
- Event Cancellation
- Frontier Fiesta
- Special Events Liability
- NCAA and NAIA Athletics

# Insurance Claims Reporting Process

- Risk Management handles all insurance claims for
  - Property Loss, Property Recovery, and all Non-Sponsored Lines of Insurance
    - Contact person: Allyson McDonald
  - General Liability
    - Contact person: Ray Anderson
  - Automobile Loss and Automobile Recovery
    - Contact person: Ray Anderson
  - Workers Compensation
    - Contact person: Alicia Cantu
- [Risk Management Web Page](#)



# Department Contact Information

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**THANK YOU!!**

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