

IIT Office of General Counsel Education Program

**Insurance
and
Risk Management**



Risk Management

Mary Anne Smith

Risk Management

Risk management can be defined as evaluating and managing liability for accidental losses. Certain risks are assumed and other are avoided. Risks can be reduced by a variety of techniques.

Risk Management

Risks can be contractually transferred to another entity or to an insurance company. IIT employs a combination of the two to address the risks of loss and liability.

Purpose of Insurance

An insurance policy will provide an insured the option to pay a certain amount of all losses covered by the policy, i.e. a deductible. Only that portion of the loss in excess of the deductible is paid by the insurance company.

Deductible

The purpose of the deductible is to encourage an insured to practice loss prevention techniques and to eliminate the numerous small claims that routinely occur.

Loss Prevention

There are a number of IIT policies and practices intended to prevent or reduce losses and liability from accidents.

Loss Prevention

Safety and Health. Procedure No. D.2

- Conduct safety and health inspections to identify and eliminate health hazards and unsafe conditions or practices.
- Provide personal protective equipment and instructions for use and care.

Loss Prevention

Safety and Health. Procedure No. D.2

- Develop and enforce safety and health rules and require employees to follow them.
- Investigate accidents to determine their cause and take corrective action.

Loss Prevention

Service of Alcoholic Beverages.
Procedure No. C-4

- No sale of alcohol to minors.
- Can only sell alcohol in the MTCC.

Loss Prevention

Service of Alcoholic Beverages. Procedure No. C-4 (cont'd)

An IIT department can serve alcohol at other campus locations, but only if it provides the Office of Student Affairs with a completed Alcohol Service Request Form in advance of the event.

Loss Prevention

Service of Alcoholic Beverages. Procedure No. C-4 (cont'd)

- There can be no charge for alcohol served at any campus location other than the MTCC.
- Alcohol cannot be served to anyone under 21 or to anyone who appears to be intoxicated or unruly.

Loss Prevention

Equipment Losses. Procedure No. E.2

Each department's faculty and staff are responsible for maintaining and protecting equipment.

Loss Prevention

Equipment Losses. Procedure No. E.2 (cont'd)

Public Safety should be notified immediately of any loss or disappearance of equipment or property and any vandalism or forcible entry.

Loss Prevention

Equipment Losses. Procedure No. E.2 (cont'd)

Facilities should be notified immediately of any major equipment breakdown or malfunction during the work week, from 8 a.m. to 8 p.m. During other times, Public Safety should be notified.

Loss Prevention

Personal Injuries

Public Safety should be notified immediately of any hazardous condition that could cause personal injury or property damage. If the condition presents imminent danger, the employee should remain near the site until Public Safety arrives, unless it presents a threat to personal safety.

Loss Prevention

Personal Injuries

Anyone who comes upon a personal injury or crime victim on campus, should attend to the victim and ask if he/she needs medical attention. The person should not be moved or provided medical care unless absolutely necessary.

Loss Prevention

Personal Injuries

Public Safety should be called immediately for assistance. If the victim's condition warrants, 911 should be called.

Loss Prevention

Personal Injuries

Public Safety will prepare an incident report. Witnesses should remain at the scene to provide Public Safety with their account of the incident.

Loss Prevention

Personal Injuries

If the victim is an employee, the supervisor should submit a “Supervisory Investigation Report” to Human Resources.

Loss Prevention

Personal Injuries

There is no obligation to speak with the victim or his/her attorney about the incident. All such calls should be referred to the Office of General Counsel.

Loss Prevention

Personal Injuries

Under no circumstances should an employee sign any statement or admission of liability provided by the victim, an outside attorney, or other third party.

Loss Prevention

Service of Lawsuits or Subpoenas

If an employee is served with a lawsuit, subpoena, or other legal document directed to IIT, or to the individual in his or her capacity as an IIT employee, it should be sent to the Office of General Counsel.



Insurance

José Padilla

Insurance

Types of Insurance

IIT maintains various insurance policies to protect against loss and liability.

Insurance

Property: covers damage to property that IIT owns, such as buildings, furniture, equipment, and other contents.

Policy Limits: \$200,000,000/replacement cost.



Insurance

General Liability: covers IIT's legal liability for bodily injury and property damage to others.

Policy Limits: \$1,000,000.

Elements of General Liability Insurance

Premises and Operations—liability arising from IIT’s ownership of premises and operations in progress, on or off the premises.

Elements of General Liability Insurance

Personal injury, slander, libel, false arrest, or wrongful entry.

Contractual-coverage for bodily injury and property damage liability assumed under contract.

Elements of General Liability Insurance

Host Liquor Liability—liability arising from serving liquor at a function on IIT's campus.

Insurance

Automobile Liability: covers IIT's liability for bodily injury and property damage to others by IIT owned or leased vehicles.

Policy Limits: \$1,000,000.

Insurance

Workers Compensation: covers IIT's employees injured on the job.

Policy Limits: self insured.

Insurance

Umbrella and Excess Liability: provides additional amounts of insurance over other insurance policies, such as general and automobile liability.

Policy Limits: \$25,000,000.



Insurance

Filing Claims. Procedure No. E.1

All losses should be reported immediately to Public Safety. Losses over \$5,000 should also be reported to the Office of General Counsel.

Insurance

Filing Claims. Procedure No. E.1

If insurance covers the loss, the General Counsel's Office will file a claim with the particular insurance company.

Insurance

Filing Claims. Procedure No. E.1

For covered property damage, the Office of General Counsel will work with Facilities to get bids and repair estimates, which will then be submitted to the insurance company.

Insurance

Filing Claims. Procedure No. E.1

For large claims, the Controller will establish a claims account to collect charges pending reimbursement of insurance funds. Copies of purchase orders should be kept for audit purposes.

Insurance

Car Rental Insurance. Procedure No. J.4(VI)(B)

IIT provides automobile liability insurance to an employee renting a car while on university business. However, this does not cover damage to the rental car. Therefore, an employee traveling on IIT business should purchase the optional collision coverage.

Insurance

Certificates of Insurance

Contact the Office of General Counsel before signing any contract which requires IIT to maintain certain insurance coverage or provide a certificate of insurance.

Insurance

Certificates of Insurance

The Office of General Counsel will request a certificate of insurance from the appropriate broker, if required by contract or by an entity with whom IIT is doing business.

Insurance

Certificates of Insurance

IIT generally requires certificates of insurance from tenants and from contractors who have their employees on campus for significant time periods and/or who are performing potentially hazardous work.

Insurance

Certificates of Insurance

IIT will often require that it be an additional named insured, to cover claims against IIT because of the contractor's work or tenant's occupancy.



Questions?