

INSURANCE AND RISK MANAGEMENT POLICY

HSU Sponsored Programs Foundation recognizes its responsibility to preserve the assets of the corporation, both human and property. It interprets its responsibility in this area as requiring the highest possible concern for the safety of its employees and the public, combined with a concern that maximum protection be accorded property to prevent financial loss.

Humboldt State University Sponsored Programs Foundation Management will be responsible for establishing and maintaining a risk management program, including the identification, measurement, evaluation, monitoring, and management of risks, purchasing insurance, and establishing loss prevention and loss control programs. The purpose will be to prevent or reduce the possibility of harm or losses, in terms of both human and financial resources, to a practical minimum. Humboldt State University Sponsored Programs Foundation Management shall recommend means of eliminating, abating, transferring, or retaining identified risks after consultation with the Sponsored Programs Foundation's Finance Committee. Only when it is deemed that the corporation cannot eliminate or economically retain a risk of loss shall it be transferred by purchase of insurance. The form and sufficiency of limits of liability for casualty protection of HSU Sponsored Programs Foundation shall be determined by Humboldt State University Sponsored Programs Foundation Management, in consultation with the Finance Committee, who shall inform the Board of Directors of actions taken.

Humboldt State University Sponsored Programs Foundation Management will have the authority to settle all self-insured claims and insured claims as recommended by the insurance carrier under the terms of applicable insurance policies. Humboldt State University Sponsored Programs Foundation Management will consult with the insurance broker and/or HSU Foundation attorney when deemed advisable. Humboldt State University Sponsored Programs Foundation Management will also have the authority to settle small claims or nuisance claims up to the current small claims court maximum, by cash payment if necessary, when doing so might "settle the matter" promptly, provided a properly signed release is obtained absolving HSU Foundation of any further liability.

Humboldt State University Sponsored Programs Foundation Management will make an annual report to the Finance Committee when the insurance budget for the forthcoming year is under consideration.

The Finance Committee shall have overall responsibility for monitoring the risk management and insurance program, exercising a continuing role in the decision process at its discretion, and may ask for reports from time to time from management. The Committee shall delegate to Humboldt State University Sponsored Programs Foundation Management the routine monitoring of the risk management program.

HSU Sponsored Programs Foundation recognizes its ability to budget for and thereby retain limited and predictable risks of financial loss. It shall not be the corporation's practice to attempt to insure such foreseeable and bearable expenses if alternatives can be achieved with due regard to sound business practice. The deductibles on property insurance shall be determined by the Finance Committee on the recommendation of Humboldt State University Foundation Management and in recognition of insurance market conditions.

In purchasing insurance, HSU Sponsored Programs Foundation will give consideration to the services offered by the insurer, as well as to the firm's reliability and financial stability, and the price of the insurance coverage as competitively determined.

HSU Sponsored Programs Foundation will remain alert to all opportunities for cooperative action with contractual entities that promote mutual benefit in handling risks that are not readily insured or safely retained. Any such cooperative activity shall be explored by Humboldt State University Sponsored Programs Foundation Management and reported to the Board of Directors by the Finance Committee.