

# Downey Unified School District

## ADMINISTRATIVE SERVICES

### RISK MANAGEMENT PROGRAM - DISTRICT INSURANCE

AR 6340

#### Management and Control

Management and control of the District's Risk Management Program and any and all insurance authorized by the Board of Education shall be a function of the Business Services Division.

The Assistant Superintendent, Business Services, shall be responsible for the Risk Management Program for the District.

The Assistant Superintendent, Business Services, shall have authority to establish rules and procedures, consistent with Board policy, to insure the safety and well-being of pupils, employees, and the public while on or in District property. Such rules and procedures shall be designed to maintain the District's liability at a minimum and insurance premiums as low as possible consistent with insurance requirements and the exposures insured.

The latest available professional risk management techniques shall be utilized to identify, analyze, and minimize risks inherent in the operation of District programs.

Risk considered to be unretainable shall be transferred. Such transference shall normally be through the purchase of insurance; however, the use of a "pooling" agreement may be considered if it is in the best interest of the District.

#### Principal/Department Supervisor

It shall be the responsibility of each Principal/Department Supervisor to be constantly alert to the risks inherent in the site/department operation and to make every effort to minimize such risks.

The Principal/Department Supervisor shall educate employees concerning their responsibilities under the Risk Management Program and enlist their support in minimizing such risks, with each employee being charged not only with operating in the safest manner possible but with alerting others, especially management, to any possible hazard and to safer and/or better methods of operating.

Each Principal/Department Supervisor shall be charged with the safekeeping of all assets charged to the program, and with the security of the facility which houses the program.

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#### Principal/Department Supervisor - continued

Each Principal/Department Supervisor shall be responsible for the following activities:

1. Completion of questionnaires and survey forms on existing activities.
2. Notification of new or proposed activities to the Assistant Superintendent, Business Services.
3. Cooperation with the Assistant Superintendent, Business Services, for on-site inspections and analyses of physical operations.

#### Safety Committee

Each Principal/Department Supervisor shall form a safety committee which shall meet at least bimonthly to inspect facilities and equipment.

Copies of safety committee reports and minutes shall be forwarded to the Operations Supervisor.

#### Placement of Insurance

The Assistant Superintendent, Business Services, shall make every effort to obtain insurance coverage at the most economical cost, consistent with required service, by obtaining quotations, by competitive bidding, or through negotiation, using whichever method is considered most advantageous to the District.

The Assistant Superintendent, Business Services, shall report insurance requirements, together with all relevant information including premium quotations and recommendations for placing such insurance, to the Superintendent, who shall present such recommendations to the Board of Education, allowing sufficient time for Board deliberation.

Upon authorization by the Board of Education, the Assistant Superintendent, Business Services, shall place such insurance in accordance with said authorization and the relevant provisions of these rules and regulations.

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#### Placement of Insurance - continued

In an emergency, the Assistant Superintendent, Business Services, shall place insurance and the Superintendent shall immediately report such placement for ratification by the Board of Education at its next regular meeting.

The Assistant Superintendent, Business Services, shall be responsible for maintaining continuous coverage of all insurance programs mandated by law or Board Policy.

#### Types of Exposures to be Protected Against

The following exposures shall be protected against through insurance and/or such self-funded programs as the Board of Education may authorize:

1. Fires, extended coverage, vandalism and malicious mischief insurance covering all buildings and contents, at replacement cost, which are owned or occupied by the District, in such amounts as are authorized by the Board of Education.
2. Comprehensive liability insurance covering the District, members of the Board of Education, District officers and employees while acting in the discharge of their duties within the scope of their employment and/or under the direction of the Board of Education. Errors and Omissions coverage shall be secured as a part of the liability and property portfolio.
3. Fidelity or Faithful Performance bonds protecting the District against loss occasioned by fraud or dishonesty of officers, employees, and agents of the District.
4. Workers' Compensation self-funded program covering all employees and volunteers of the District, pursuant to the Labor Code of the State of California and sufficient to provide benefits as prescribed by law.
5. Automobile physical damage insurance on selected vehicles owned or operated by the District to the limits as specified by the Board of Education.
6. Burglary and robbery insurance covering such monies and property as specified by Board action.

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#### Types of Exposures to be Protected Against - continued

7. Boiler and pressure vessel property damage insurance and property to such limits as authorized by the Board of Education.
8. Umbrella accident insurance for students participating in field trips and athletic events and who are not otherwise covered.
9. Repairs to District-owned musical instruments provided to students under the loan program shall be the responsibility of the parent. Damaged instruments shall be repaired to the satisfaction of the District, and the full cost of such repair shall be paid by the parent. In the event of a loss of such an instrument, the parent shall reimburse the District the amount of the instrument's actual cash value.
10. Programs of insurance in the area of employee fringe benefits such as hospital and medical insurance, dental insurance, life insurance, but only in the kinds and to the limits authorized by the Board of Education.
11. Such other insurance coverage as the Board of Education may authorize.

Student accident insurance will be made available and the premium paid by the student's parent or guardian.

#### Insurable Value - Buildings and Contents

All buildings and all contents shall be insured at 100% of agreed replacement costs for all risks of direct physical loss or damage except for enumerated exclusions such as earthquake and flood.

The term "contents", as used in connection with insurance, shall be defined to include all personal property not specifically excluded by the terms of the standard form for fire insurance policies.

#### Settlement of Losses

When any property covered by insurance is lost, damaged, or destroyed, a notice concerning the loss shall be sent immediately to all affected carriers or their

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Settlement of Losses - continued

representatives. The Assistant Superintendent, Business Services, shall act as adjuster for the District in the settlement of losses, including any settlements within the self-insured retention level in effect, and shall sign the Proof of Loss Statement. In his/her capacity as adjuster for all District Risk Management Programs, the Assistant Superintendent, Business Services will determine annually the types and levels of coverage required to preserve the fiscal integrity and stability of insurance reserves in accordance with Board Policy and accepted Principles of Risk Management.

Liability Claims Procedure

All Claims for Damages filed with the District pursuant to the Government Code of the State of California shall be referred to the appropriate insurance carrier or self-insurance administrator for recommendations regarding acceptance or rejection of the claim. Such recommendations shall be presented to the Board of Education for approval. For all claims rejected by the Board, a written notice of rejection shall be sent to the claimant. Such notice shall contain a warning advising the claimant of the statutes for filing court action pursuant to Section 945.6 of the Government Code of the State of California.

Approved: 8/28/90, 12/6/05