

INSURANCE MANAGEMENT

The Board will annually adopt a comprehensive plan for Risk Management to protect the financial resources of the district, preserve its ability to provide an educational program, and protect individuals from personal loss as a result of carrying out their responsibilities for the district.

Administration of this Board policy will be under the direction of the business administrator, who is charged with responsibility to regularly evaluate exposures, develop strategies to control losses, place insurance coverage, maintain property appraisals and inventories, process claims, maintain loss records, and supervise loss prevention activities.

The Board will assume the risk of property damage, legal liability, and dishonesty in all cases in which the exposure is so small or dispersed that a loss would not significantly affect the operations or financial position. The Board will institute a planned, funded program of self-insurance where risks can be reasonably predicted, combined with excess insurance against catastrophic loss.

Insurance will be provided against all major exposures through the purchase of appropriate types of policies, combined wherever possible or practical in one policy, and utilizing maximum feasible self-insurance through use of deductibles. A list of possible coverages needed might include:

- Public and Institutional Property/Casualty, blanket
- All risk coverage on buildings, contents, property in open
- Comprehensive General Liability: district, Board and all employees
- Automobile liability, owned and non-owned
- Fidelity bonds and crime coverage
- Fiduciary liability
- Contractual liability
- Umbrella excess liability
- Boiler and machinery
- Workers' Compensation
- Unemployment Compensation
- Extra expense insurance

Property will be insured to value on the basis of replacement cost against as wide a range of perils as possible and practical, taking into consideration various rate offerings, and will be regularly appraised to allow for increases in value. Insurance on buildings, contents, or property in the open will not be purchased to cover loss exposures below the amount of \$1000, unless such insurance is required by statute or contract, or when it is desirable to obtain special services such as inspection or claim adjustment service in connection with the insurance.

Insurance will be purchased only through licensed agents or brokers who have the technical competence to service the account adequately. Insurance will be placed only through companies rated at least A- in Best's ratings. Bids will be taken periodically and submitted to the Board for consideration.