PURPOSE:
The purpose of this Policy is to provide steps to be taken for risk management. Risk Management guidance is designed to identify and evaluate risks to which Binghamton Auxiliary Services Corporation (BASC) may be exposed, reducing or eliminating losses from injury to persons, damage to property and cost incurred in the defense of lawsuits through appropriate management action. Risk Management is also concerned with preservation of assets and protection against loss of earning power.

The BASC risk management policy includes identification and evaluation of risk factors: 1) property (i.e., crime, fire and flood) and 2) casualty, (i.e. D&O professional, liability, general and excess liability). Insurance coverage may be purchased to establish a framework within which the Corporation’s services, programs and activities, can be effectively managed.

BACKGROUND:
The BASC has a conservative approach to risk management and transfers risk of identifiable hazards to insurers through purchase of comprehensive insurance coverage. This approach and the practices to implement it are integrated into the BASC’s corporate operations.

Exhibit B of State of New York Administrative Requirements for Auxiliary Services Corporations Document Number 9400 identifies the need for clarification of risk management policy and practices on the campus by and between the university and its auxiliary organizations, especially in the case of joint programs or activities.

On June 22, 2016, the Office of the Chancellor issued a Memorandum regarding the approval of amendments to the Auxiliary Services Corporations Guidelines Policy, which strengthens financial responsibility, accountability, transparency and oversight, and as such risk management is an essential program of Auxiliary Services Corporations as part of the SUNY system.

POLICY:
The BASC recognizes its role of stewardship over physical assets, which are used to establish trusts, as well as stewardship of BASC resources. This responsibility requires due concern for the safety of members of the public who make use of BASC services, projects or programs.

I. Loss Prevention
   BASC recognizes its responsibility to ensure appropriate deductibles are determined by the Executive Director with due consideration of insurance market conditions.
RISK POLICY

II. Insurance Acquisition
BASC practice is to review insurance coverage on an annual basis. The BASC is not obligated by operation of any statute or regulation to award contracts for insurance to any insurance underwriter, broker, agent, risk retention group or other similar group or organization. BASC will continue to purchase insurance from insurers who are financially sound with superior industry administrative ratings. Premium costs are an essential element in the evaluation of any proposal for insurance coverage.

III. Cooperative Programs
BASC is alert to opportunities for cooperative action with other entities when such cooperation is mutually beneficial in treatment of risks requiring special consideration, cost and service. Any such cooperative activity may be evaluated by the Campus Risk Manager and other staff as necessary. The final determination for the course of action shall be reviewed and approved by the Executive Director.

IV. Management of Risks
The management of risks of loss to BASC under the above policy shall be the responsibility of the Executive Director in consultation with campus and industry experts who will assist to identify risks, determine the means of eliminating, abating, transferring or accepting these risks.

When BASC cannot eliminate or economically withstand a risk of loss, insurance shall be purchased to cover the risk. The form and sufficiency of various policy limits for protection of BASC shall be determined by the Executive Director.

V. Management of Standards/Guidelines
The Risk Management program is implemented consistent with this policy statement. Written program guidelines include the following criteria to identify hazards and risks for analysis.

a. Annual review of scope of coverage and the limits of insurance policies in relation to activities and liability exposure; including annual review of Insurance Survey provided by broker;

b. Quantification of activities, services and support activities in which BASC is involved;

c. Minimum insurance coverage and limits by types of authorized activities; and

d. Activity relationships in which there is or may be joint or shared responsibility and liability with respect to contracts, employment, occupancy of premises, or oversight of facilities, programs or services between BASC and/or other entity.
e. The exclusion of risks or activities which BASC is clearly unwilling to undertake under any and all conditions, including those which may be prohibited or pose such a high degree of risk as to jeopardize the feasibility of the activity or constitute a threat to BASC.

The following program elements for risk management are integrated into BASC’s operations:

a. Annual review of scope of coverage and the limits of insurance policies in relation to activities and liability exposure;
b. The ability to partially or entirely self-insure risks, as areas of risks are discovered or determined;
c. Monitor and maintain insurance coverage as assets are acquired or disposed of and claims are processed;
d. Conduct routine inspections and inventory per property control policy;
e. Identify areas and activities involving joint/shared risk (i.e. pooling of risk); and
f. Conduct ongoing safe practice/risk avoidance training and reinforcement effort with employees covering all risks.

VI. Program Practices
BASC management shall establish and maintain the following documented risk management practices.

a. Analysis of new activities (especially assumption of contractual liability) in terms of risks;
b. Periodic review of risks, exposures, activities and properties;
c. Assessment of risk exposure on and off premises, in operations, through contracts, and with avoidance/prevention efforts;
d. Accident/loss monitoring;
e. Systematic claims assessment to insure claims are properly administered;
f. Information dissemination to BASC projects related to risks; and
g. Develop Emergency preparedness plan.

VII. Program Organization
The Executive Director in consultation with campus and industry experts may periodically identify how the Risk Management Program is to be organized including:

a. Appropriate delegation of authority;
b. Performance of program duties and task assignments;
c. Role of risk management; and

d. How risk management program/staff interacts with safety, security, legal and employee relations functions.

AMENDMENT TO POLICY:
This policy may be amended in whole or in part, upon review and recommendation, to be approved by the Board of Directors by a vote of a majority of Directors present at a meeting at which a quorum is present.