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Risk Management Division


Risk Management/Insurance

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MINNESOTA STATE

Disclaimer

I am not an attorney

Consult with either your campus in-house counsel/attorney (if you have one) or Minnesota State Office General Counsel for comments relating to indemnification



Session Overview

- What is Risk Management?
 - Why is risk management important
 - Specific coverages and definitions
- Relationship between risk



What is Risk Management?

Risk is any issue that impacts the institution's ability to meet its objectives.

Essentially, risk management is figuring out what can go wrong and determining what to do about it.



Risk Management/Insurance Myths

There is no risk

Insurance is only for the institution

Not coming onto campus so there's no risk



Coverages

Commercial General Liability – bodily injury, property



Definitions

Risks – uncertainty arising from the possible occurrence of given events.

Additional Insured – a person or organization not automatically included as an insured under an insurance policy of another, but for whom the named insured desires or is required to provide a certain degree of protection under its insurance policy.

Waiver of Subrogation – an agreement between two parties in which one party agrees to waive subrogation rights against another in the event of a loss. The intent of the waiver is to prevent one party's insurer from pursuing subrogation against the other party.

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Risk Management Process

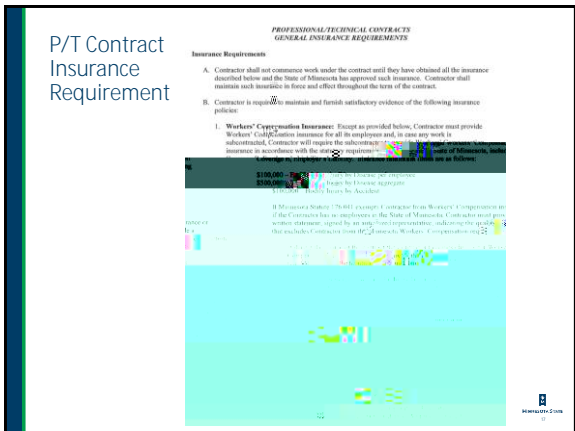
Step 1 – Understand the scope of work & the objectives

1a. Identify potential risks

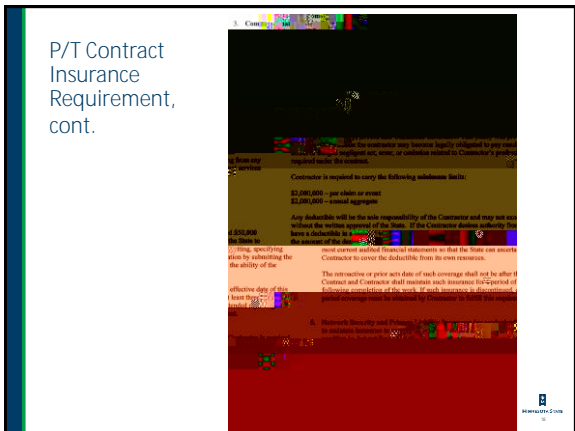




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P/T Contract Insurance Requirement, cont.

C. Additional Insurance Conditions:

- Contractor's policy(ies) shall be primary insurance with respect to any claim arising out of Contractor's performance under this contract.
- If Contractor receives a cancellation notice from an insurance carrier affording coverage herein, Contractor agrees to notify the State of Minnesota within five (5) business days with a copy of the cancellation notice, unless Contractor's policy(ies) contain a provision that overrides the above. The policy(ies) will not be attached unless an authorized representative writes notice to the State of Minnesota.
- Contractor is responsible for payment of Contract related insurance premiums and deductibles.
- If Contractor is self-insured, a Certificate of Self-Insurance must be attached.
- Contractor's policy(ies) shall include legal defense fees in addition to its liability policy limits.
- Contractor shall obtain the minimum insurance coverage as follows:
 - General Liability (GL) - \$1,000,000 per occurrence
 - Automobile Liability (AL) - \$1,000,000 per occurrence
 - Umbrella (U) - \$1,000,000 per occurrence
 - Professional Liability (PL) - \$1,000,000 per occurrence
 - Workers Compensation (WC) - as required by law
 - Employers Liability (EL) - as required by law
 - State Category (FSC) VI - as required by law

An Equal Opportunity/Affirmative Action policy may be used to supplement the Contractor's policy(ies) to satisfy the full policy limits required by the Contract.

D. The State reserves the right to immediately terminate the contract if the contractor is not in compliance with the insurance requirements and retains all rights to pursue any legal remedies against the contractor. All insurance policies must be open to inspection by the State, and copies of policies must be submitted to the State's authorized representative upon written request.

E. The successful responder is required to submit a list of insurance carriers acceptable to the State of Minnesota or insurance coverage to the State of Minnesota.



Waiver of Subrogation

Institutions should seek this clause when a



