

# LSU

## RISK MANAGEMENT



Administrative Services and Risk Management

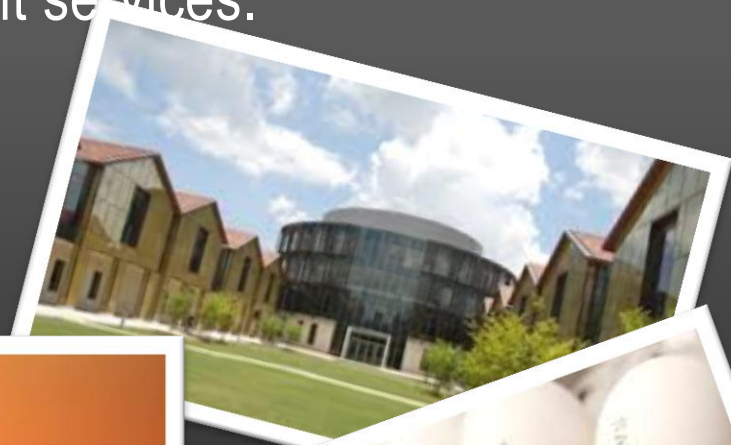
# AGENDA

- Risk Management's Mission
- Moving Forward
- Return to Work
- Contracts and Agreements
- Risk Assessments



# MISSION

- To protect the people, property, environment, financial, and other resources in support of the University's teaching, outreach, research, and student services.



**LSU**

# TRADITIONAL RISK MANAGEMENT AND ERM



# RISK MANAGEMENT MUST EVOLVE

Transactional

Integrated

Strategic

## Traditional Risk Management

- Purchase insurance to cover risks
- Safety and emergency management handled separately
- Claims management handled separately
- Hazard-based risk identification and controls
- Compliance issues addressed separately
- “Silo” approach- risk management is not integrated across the institution

Risk is perceived as negative-  
Focus is on transferring risks

## Advanced Risk Management

- Greater use of alternative risk financing techniques
- More proactive about preventing and reducing risks
- Integrates safety and emergency management contracts review into risk management process
- Cost allocation used for accountability
- More collaboration and fewer silos

Risk is an expense- Focus is on  
reducing cost-of-risk

## Enterprise Risk Management

- A top-down approach aligns RM process with strategy and mission
- Evaluation includes the “upside of risks” or opportunities risk-taking offers
- Helps manage successful growth or program expansion
- Risks are owned by all and mitigated at the department level
- Many risk mitigation and analytical tools are available

Risk is uncertainty- Focus is on  
optimizing risk taking to achieve goals

# KEY STEPS TO AUTONOMY

**“GRAD ACT 2.0” ENACTED**  
*(ACT 418 of 2011 Legislative Session)*



**ELIGIBILITY CERTIFICATION &  
APPLICATION ADMINISTRATION**  
*Board of Regents (BOR)*

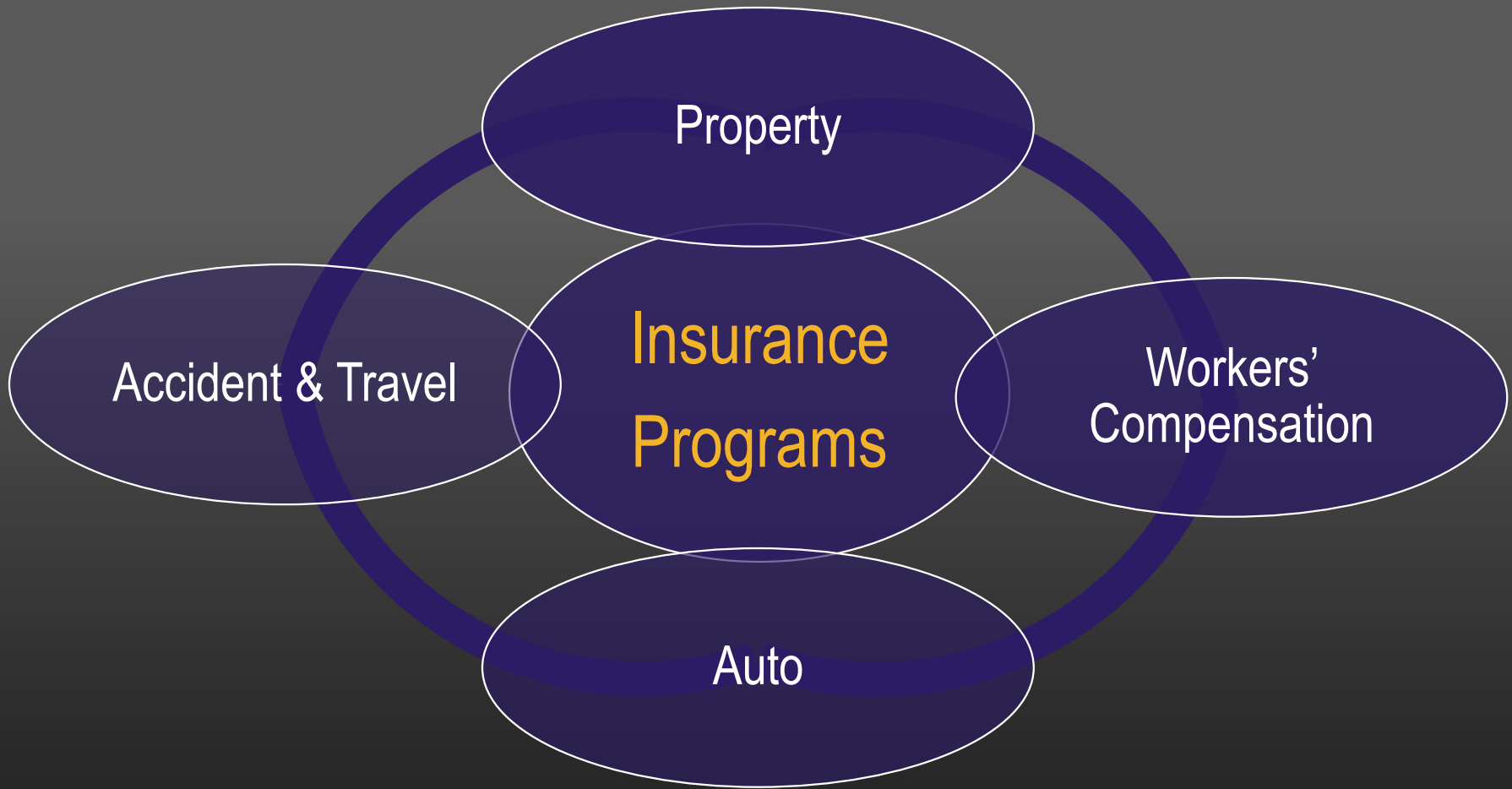


**OPERATIONAL CAPACITY  
DETERMINATION**  
*Division of Administration (DOA)*

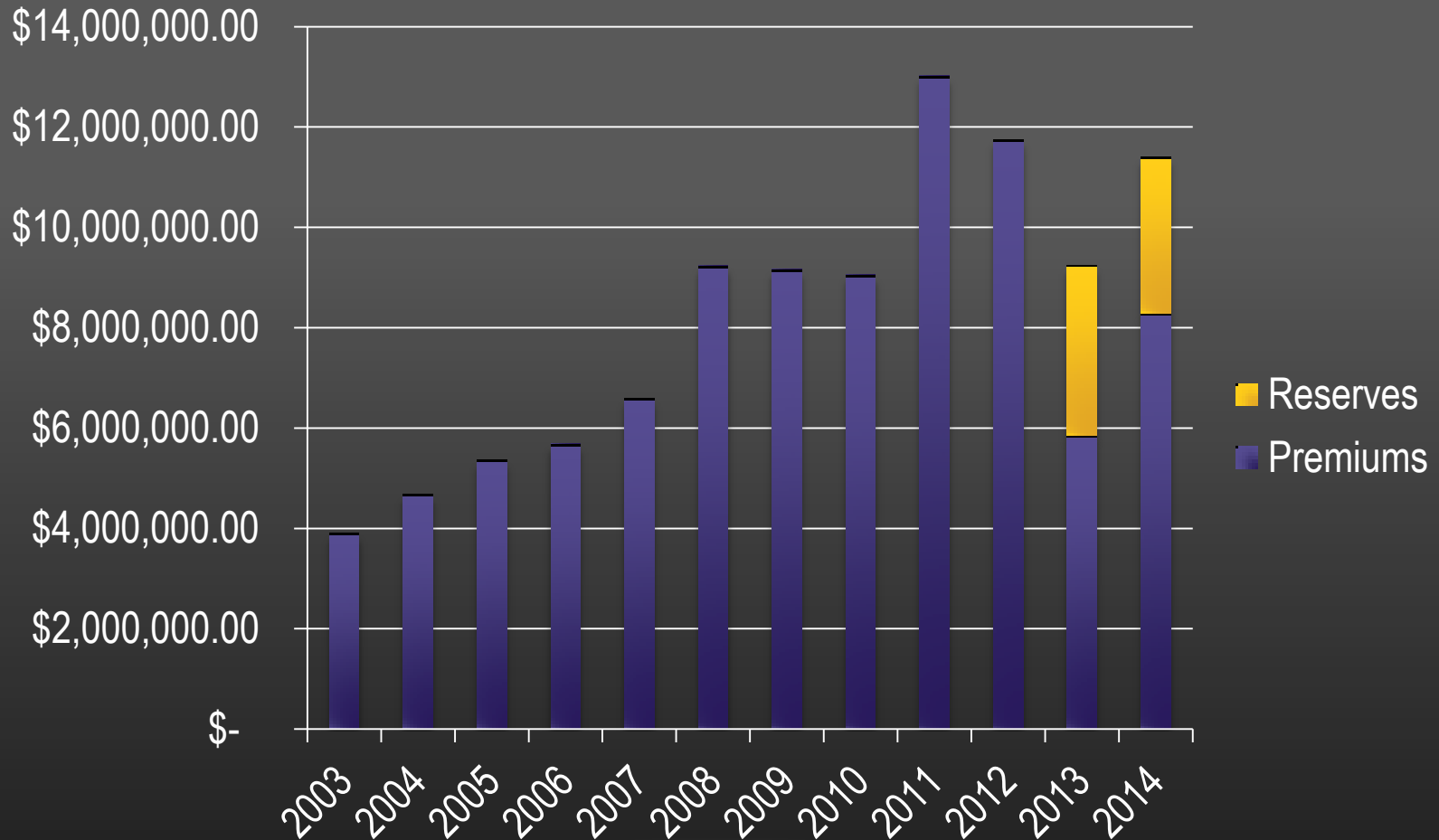


**AUTONOMY GRANTED**  
*(Phased Plan of Implementation)*





# FISCAL IMPACT: STATE ORM PREMIUMS AND RESERVE ALLOCATION FY 2003 — FY 2014

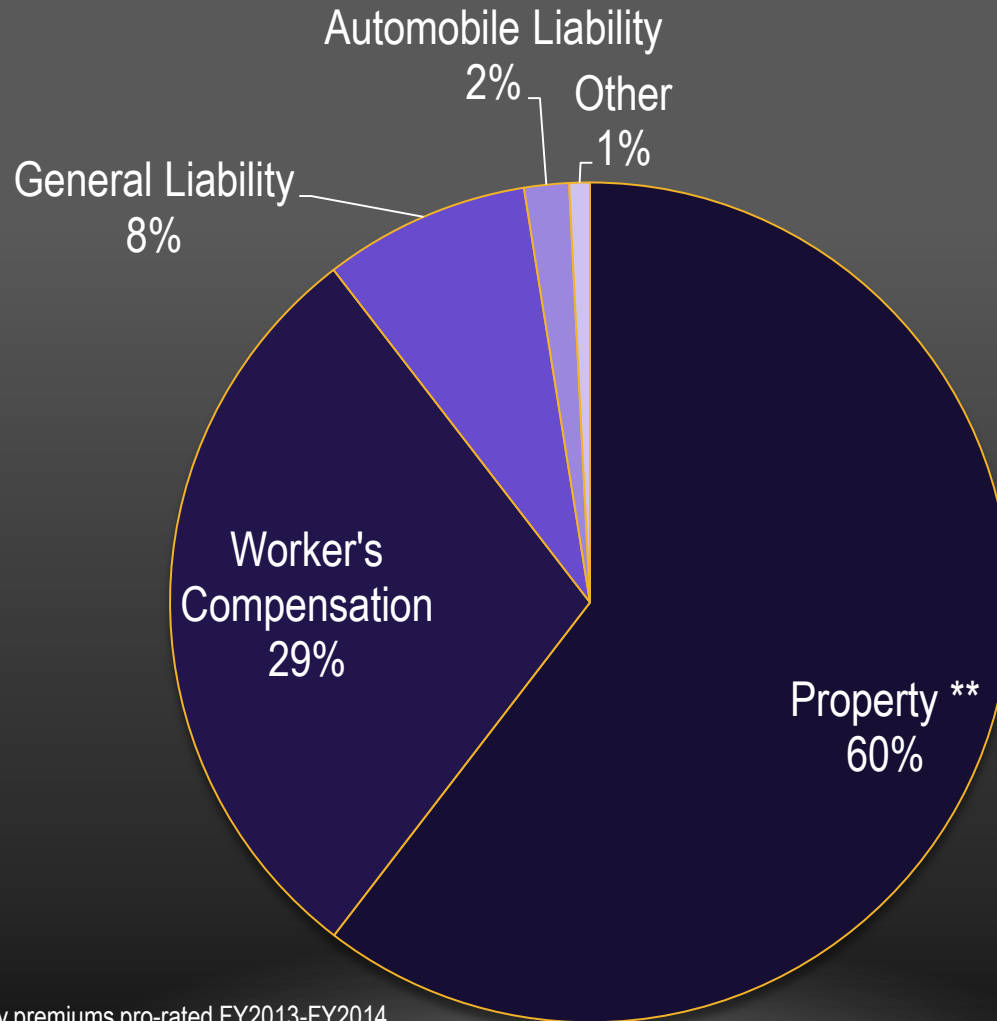


\* Excess property premiums pro-rated FY2013-FY1014



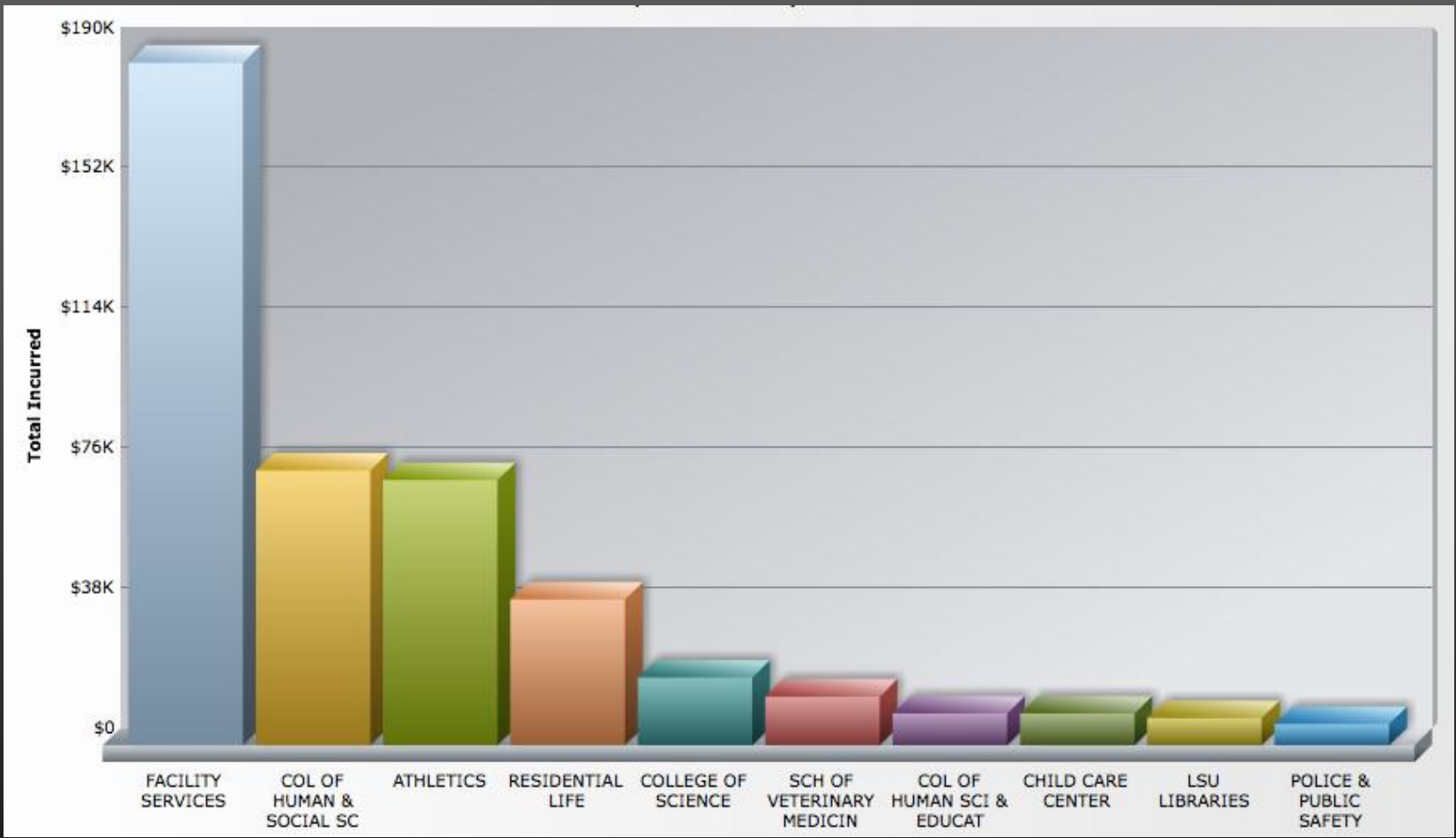


# FISCAL IMPACT: PREMIUMS AND FUNDED RESERVES BY COVERAGE AREA FY 2014



\*\* Excess property premiums pro-rated FY2013-FY2014

# WORKERS COMPENSATION TOP 10 DEPARTMENTS TOTAL COST FY14 (AS OF 2/11/2014)



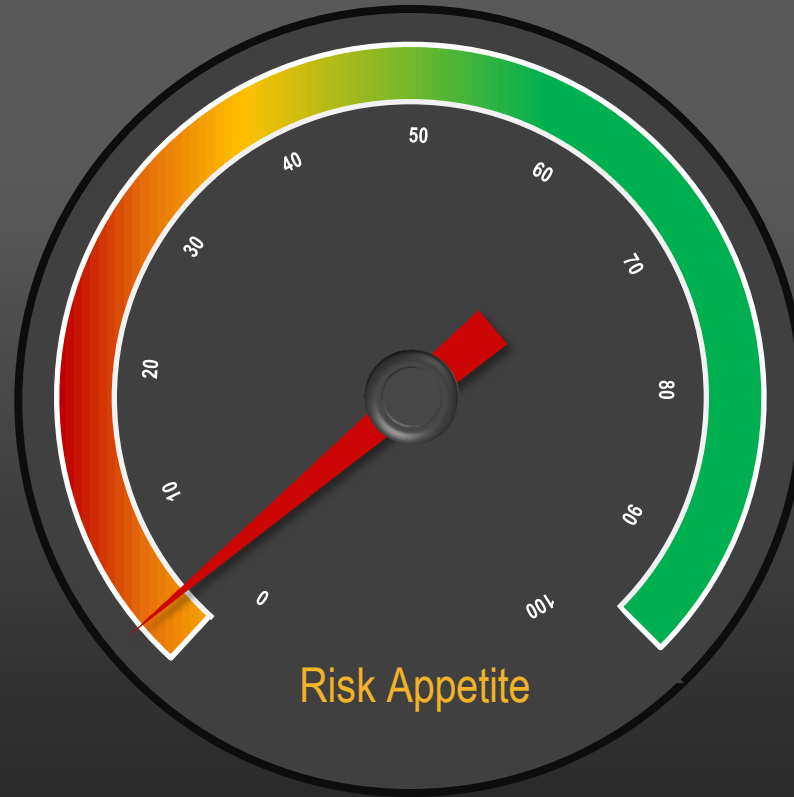
# MODIFIED DUTY REQUIREMENTS

- PS 90 - Subject to the Guidelines Related to Modified Duty, below, if an employee is unable to return to **full duty** due to an injury arising out of the work activity, but able to return on **modified duty**, the department shall establish a suitable temporary work activity within the department considering the limitations placed on the employee by the attending physician, department needs and employee job qualifications. Contact the LSU Office of Risk Management if the employee cannot return to modified duties.

# RETURN TO DUTY REQUIREMENTS – PS 90

- The employee must meet the required qualifications for the modified job assignment which the employee will be required to perform,
- The work must be a meaningful and productive part of the department's operations,
- The work must conform to the medical restrictions set by the health care provider.

# RISK ASSESSMENTS





# RISK ASSESSMENT

It's Not Worth It

[DIY.DESPAIL.COM](http://DIY.DESPAIL.COM)

**LSU**



"We've considered every potential risk except the risks of avoiding all risks."

**LSU**

# RISK ASSESSMENTS

Risk assessment is the identification and analysis of risks to the achievement of business objectives. It forms a basis for determining how risks should be managed.

- Allows us as an entity to understand the extent to which potential events might impact objectives.
- Assesses risks from two perspectives:
  - Likelihood
  - Impact
- Employs a combination of both qualitative and quantitative risk assessment methodologies.
- Relates time horizons to objective horizons.



# INDEMNIFICATION/ HOLD HARMLESS AGREEMENTS

- Affirmative assumption of the financial consequences for liabilities of another through contract or agreement.
- Should not sign indemnification/hold harmless agreements on behalf of the University without Risk Management's review.

# INSURANCE REQUIREMENTS

18

- **Workers' Compensation and Employers Liability:**
  - limits as required by the Labor Code of the State of Louisiana.
- **General Liability:**
  - \$1,000,000 combined single limit per occurrence for bodily injury personal injury and property damage.
- **Automobile Liability:**
  - \$1,000,000 combined single limit per accident for bodily injury and property damage.
- An Umbrella Policy may be used to meet minimum requirements.
- Insurance Companies must have an A.M. Best's rating of A-:VI or higher

<http://www.fas.lsu.edu/purchasing/insurancereq.htm>



# MOU/AGREEMENTS/CONTRACTS/INTERNS

- All contracts may be sent to Risk Management at any point in the development process for review.
- Risk Management's review will include the insurance requirements, indemnification clauses and identify other liabilities or risks the University may assume.
- If required Risk Management may also waive the insurance requirements upon the complete of a risk assessment.
- Signature authority for an MOU, agreement or contract on behalf of the University does not lie with the department and **all** should reviewed by Risk Management.



## Administrative Services and Risk Management

FINANCIAL SYSTEMS SERVICES

ENVIRONMENTAL HEALTH & SAFETY

PARKING & TRANSPORTATION SERVICES

RISK MANAGEMENT

Welcome

PS 90 Approved Revision

Claims and Insurance Information

Claim and Reporting Forms

Travel and Accident Insurance

Enterprise Risk Management

FAQ

Links

Contact Us

The mission of Administrative Services and Risk Management in Finance and Administrative Services (FAS) at Louisiana State University (LSU) is to protect people, property, the environment, financial, and other resources in support of the University's teaching, outreach, research, and student services.

Administrative Services and Risk Management consists of Risk Management, responsible for the administration of the University's insurance program and coordination of insurance programs for LSU paid campuses; the Office of Environmental Health and Safety (EHS), responsible for administering the campus safety, health, and environmental programs; the Office of Parking, Traffic and Transportation, responsible for controlling, distributing, enforcing/maintaining all parking facilities, and providing various modes of transportation on campus; and the Office of Financial Systems Services (FSS), responsible for providing leadership for the development and maintenance of all FAS business processes, supporting the network, and educating and training FAS employees on the use of technology.

### NEW SAFETY IMPROVEMENT PROGRAM POLICY REVISIONS

PS 90 – WORKERS' COMPENSATION AND WORK RELATED ACCIDENTS  
PS 67 – MISUSE OF DRUGS OR ALCOHOL



# QUESTIONS



Colorado Robertson

[colorado@lsu.edu](mailto:colorado@lsu.edu)

225-578-2249

**LSU**