



UNIVERSITY OF  
MARY WASHINGTON

*where great minds get to work*

## Risk Management Guidebook

January 2016

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## **General Information**

The University of Mary Washington (UMW) is a state agency; as such, insurance is provided through the Commonwealth of Virginia Risk Management Plan. The Office of Administration and Finance works closely with representatives in Virginia's Division of Risk Management (DRM) to handle risk management inquiries and claims for UMW.

Please contact the Office of Administration and Finance regarding Risk Management questions or assistance including:

- Questions regarding potential liability and insurance coverage.
- Requests for certificates of insurance.
- Questions regarding claims for and against UMW, including automobile.
- Liability (state-owned or rental vehicles), property loss (state-owned) and general liability.

The Commonwealth Risk Management Plan provides coverage for:

- Automobile Liability Coverage for UMW owned vehicles and rental cars used for official university business or travel.
- Automobile Physical Damage Coverage for UMW owned vehicles.
- Property Loss/Damage Coverage for UMW owned property.
- General Liability Coverage for injury or property damage resulting from negligence on the part of UMW.
- Professional and Medical Malpractice Liability for UMW and its employees as well as agents of the Commonwealth "for action arising out of the performance of required job duties." This also includes university employed medical staff.
- Faithful Performance of Duty Bond and Crime Bond.
- Workers Compensation Coverage (administered by Human Resources).

All University claims are subject to a \$10,000 deductible. If a claim is estimated to be \$10,000 or less, the State will not reimburse the loss or damage. In these cases, no claim will be submitted and if warranted, the Office of Administration and Finance will handle reimbursement/payment.

## **Automobile Coverage General Information**

The Commonwealth's Risk Management Plan covers all state/university owned vehicles. UMW also carries the elective coverage, for physical damage to vehicles rented for official business/travel.

University coverage will NOT be applied if a faculty or staff member is involved in an automobile accident while driving their own personal vehicle; even if they were using the vehicle on official university business. In such cases, the faculty or staff member's own automobile insurance coverage would need to apply.

## Automobile Liability Coverage

The Commonwealth of Virginia Risk Management Plan applies to any accident involving:

- A UMW driver, in a UMW owned vehicle involved in an accident where a non-UMW owned vehicle or non-UMW owned property is damaged and/or there is physical injury involved.
- A UMW driver, while conducting official university business/travel, is involved in ANY accident using an approved rental vehicle (even if no other vehicle is involved).
- This coverage would also include any damage, theft or breakdown of a vehicle rented by UMW, which occurs while the vehicle is under our care.

## Filing Automobile Claims

If a driver is involved in ANY automobile accident (even single-car) in a UMW owned or rental vehicle on official university travel or if the vehicle becomes disabled (breaks down), has been stolen, or has become damaged in some way, the driver must:

1. Notify the State police if the accident, theft, breakdown or damage has occurred off-campus. If the accident, theft, breakdown or damage occurs on campus, the Campus Police can be contacted to handle the incident instead.
2. Avoid making any statements regarding who is or is not at fault in the accident.
3. If out of state, the driver must secure a copy of the accident report from the officer at the scene.
4. The driver must also report the accident to the Office of Administration and Finance (540) 654-1020. *Facilities Services should be notified by the driver each time a UMW owned vehicle is involved in an accident.*
5. The driver involved in the accident/damage and UMW itself will both be required to assist fully in any further investigation or inquiry involved in the claim.

## **Property Loss**

### Coverage General Information

Only property owned by UMW is covered by our Property Loss/Damage coverage. Loss can include; fire, flood, theft or other forms of physical damage.

The Risk Management Plan DOES NOT cover the loss of personal property of students, faculty, staff or visitors. If a student, private citizen, faculty or staff member expresses of their own volition that UMW is at fault for damage that occurred to their personal property, and would like to file a claim against the State's liability coverage, they must be directed to the Office of

Administration and Finance, which will inform them of their rights and relay instructions on how to file a claim directly with the State.

### Loss of Teaching Research or Material

The one exception to this policy is that UMW may elect to replace any teaching or research materials used by a faculty or staff member in their work that are irreparably damaged or stolen. These may include items that were purchased by the faculty or staff member with their own funds. Each case is different but a test of reasonableness and precedent will be applied in each case to determine the connection to the teaching or research work. The decision as to whether or not to invoke this exception may be appealed to the Provost.

In the event that an original, irreplaceable work of art or an item of museum quality that is being used by a faculty or staff member in their work is irreparably damaged or stolen, UMW will consider reimbursing the owner if there is proof of cost at the time the item was obtained or if a certified appraisal can be provided by the claimant.

To make such restitution, the claimant will need to submit to the Office of Administration and Finance proof of cost at the time of purchase or a certified appraisal of each lost and irreplaceable original piece. UMW will generally not provide reimbursement for items such as artwork or documents that cannot be replaced. UMW will not reimburse for time lost due to damaged research materials. UMW will not write a check to an individual but will pay a vendor directly for a replacement item.

In the case of claims requesting replacement of items, the claimant will need to submit vendor information for replacements (vendor name, contact info, catalog or reference number, title of piece, etc.), to the Office of Administration and Finance so that UMW may make the necessary purchase on the claimants behalf.

**NOTE:** Exceptions include property that has been loaned to, leased to, or otherwise is in the control, custody and care of UMW and resides on university property (i.e. Fine arts collections on loan to UMW and on display; or equipment leased by UMW from a third party vendor).

### Property Loss or Damage

The UMW Campus Police should be called in the event that university property is damaged or if property loss occurs on campus. The UMW Campus Police will then notify the Office of Administration and Finance.

### **General Liability Coverage**

The State Risk Management Plan provides Liability Coverage to UMW. The Plan covers any liability action or lawsuit that may be presented against UMW for acts, omissions or negligence. In addition, individual employees of UMW are provided with Professional and Medical Malpractice coverage in relation to their official duties as university/state employees.

## Professional and Medical Liability Coverage

Under the professional liability coverage provided by the State Risk Management Plan, any employee (faculty or staff) of UMW is covered for any incident that may arise out of acting in their official capacity, as a university employee. This coverage also applies to former university employees, if the lawsuit or claim pertains to an incident that occurred while the individual was employed by UMW and the incident arose out of the performance of their required/official duties as an employee.

There are some instances in which individuals other than actual UMW employees are considered “Agents of the Commonwealth” and would therefore be covered under our professional and medical liability coverage. Such instances include:

- Volunteers acting in an official capacity during an official university event.
- Students performing authorized/required duties during internships, fieldwork, practicum, student teaching and other off-campus, professional placements, as long as the placement is required coursework for their degree, and the incident occurred while the student was performing authorized, required duties of the placement.

Other than the two exceptions noted above, any person working for UMW is only covered under State liability coverage if they are employed by UMW and have gone through the usual university hiring procedures.

**NOTE:** College of Education students working in K-12 schools are to secure their own personal and professional liability insurance.

## Faithful Performance of Duty Bond and Crime Bond

UMW is covered by both bond programs offered by the DRM, the Faithful Performance of Duty Bond and the Crime Bond. These programs respond to the loss of state funds.

The Faithful Performance of Duty Bond covers loss resulting from malfeasance, willful neglect of duty, bad faith or negligence. For example, a UMW employee may be responsible for the loss of money due to a burglary or hold-up. The Faithful Performance Duty Bond would cover this risk (as long as the employee is found blameless). The Crime Bond covers the risk of employee dishonesty, specifically the risk of an employee stealing money. This allows UMW to recover funds when an employee acts fraudulent or commits a criminal act.

## Handling Liability Claims or Inquiries

Please refer ALL liability questions to the Office of Administration and Finance. In the event of an inquiry, UMW employees should refrain from making ANY comments regarding whether or not UMW is at fault. Soliciting claims suggests to the person that UMW is or may be at fault and that the injured party should file a claim against the State or UMW. **The State Division of Risk Management strictly prohibits this practice.**

**NOTE:** UMW does NOT file claims for liability issues. The inquiring party is informed of their right to file a claim directly against the State and contact information for the State Division of Risk Management. The State determines if the individual is to receive compensation. Do NOT indicate that UMW may be contacted in order to receive compensation.

### **Certificates of Coverage**

From time to time various institutions, organizations, or companies will request Proof of Liability Coverage from UMW. The Office of Administration and Finance prepares and signs all Certificates of Coverage. The Certificate of Coverage states coverage limits under the State Risk Management Plan. These amounts cannot be altered as they are determined by the *Code of Virginia*, and can therefore only be altered by an act of the General Assembly. If an institution, organization or company is requesting coverage above the amounts provided by the Plan, they must be informed that UMW cannot change or alter our coverage or its limits.

Some examples of reasons why an entity outside of UMW might require or request a Certificate of Coverage:

- Car or other equipment rental agencies requesting proof of our liability coverage, should the car or equipment become damaged.
- Off-campus locations where UMW is participating in or holding an event (i.e. Sporting Events such as NCAA tournaments, off-campus athletic or theatrical events, competitions and practices, informational booths and programs held at off-campus locations).

It should be noted that a Certificate of Coverage does not name the requesting entity as “additional insured.” To do so would be to agree to offer liability coverage to the actual entity. As a state institution, UMW cannot do this in most cases.

One exception to this rule is if UMW is renting (and using) equipment owned by the entity, in which case, we would need to provide liability coverage should we damage the equipment or somehow cause damage of non-UMW owned property or injury to a person in the process of using the equipment. This requires a separate statement. Should you have a request for an entity to be named as “additional insured,” contact the Office of Administration and Finance.