

INSURANCE AND SELF-INSURANCE PROGRAM/RISK MANAGEMENT

I. PURPOSE

The purpose of this Regulation is to establish operating procedures for the Risk Management Department and the Insurance and Claims processes for Colorado Springs School District 11 (the District).

The District is to be protected against claims or losses that may significantly affect personnel, property, the budget, or the ability of the District to fulfill its responsibilities to taxpayers and the public. Professional management of insurance and claims by qualified employees and consultants is essential to provide the protection against claims or losses and claim financing for the District.

II ADMINISTRATION OF RISK MANAGEMENT INSURANCE AND CLAIMS

Responsibilities

The Risk Management Department will manage and appropriately fund costs associated with exposures and losses, to include:

1. Self-insure any risk of loss that can be efficiently managed and is in the best interest of the District.
2. Consider use of a third party administrator or a consultant if an insurable program can be administered more efficiently or at a reduced cost.
3. Determine the cost of risk funding requirements for the General Fund and other departments as recommended by the Director of Risk Related Activities, and approved by the Deputy Superintendent/Chief Financial Officer.
4. Allocate costs to certain departments to manage the cost of claims. The allocations will be based on an analysis of loss history, premium costs, and a percentage of the administrative costs.
5. Provide periodic reports to the Deputy Superintendent/Chief Financial Officer that address significant claims and establish reserve objectives, deductible levels, margins and other factors or strategies as requested.
6. Provide the Superintendent with a quarterly report of each open claim totaling \$50,000 or more in actual and reserved costs. The Superintendent, per policy EI, will provide the report to the Colorado Springs School District 11 Board of Education (the Board) semi-annually.

Confidentiality

All applicable policies from the Board addressing discipline, will apply. Due to the confidential nature of claims management, procedures may also be appropriate.

In order to properly manage claims, Risk Management has access to particularly sensitive information and records regarding an employee's medical, legal history, and personal data.

It is critical that no sensitive information, whether discussed or in files, regarding the data, management strategies, or records available to Risk Management personnel be spoken or provided to any concern, either internally or outside the District without proper clearance in writing from the Deputy Superintendent/Chief Financial Officer.

Prior to any information that may be disseminated which might place the department, its personnel, or the District and its personnel in any legal or sensitive posture, the Workers' Compensation Manager will be informed by his/her staff, and will consult with the Director of Risk Related Activities about the matter. Depending on the sensitivity of the matter, the Director of Risk Related Activities may then confer with the Deputy Superintendent/Chief Financial Officer. In addition, the provision of information is subject to the Colorado Open Records Act.

Ethics

Risk Management personnel at all times will comply with the ethical conduct which guides the activities of District employees, as specified in the relevant parts of Section G: Personnel, of the Board policies.

In addition, The National Association of Insurance Commissioners (NAIC) has established unfair claims settlement practices (The 1990 version of the Unfair Claims Settlement Practices Act currently in effect, Section 3—Unfair Claims Settlements Practices Prohibited, and Section 4—Unfair Claims Practices Defined).

To the extent practicable, and when in concert with provisions regarding ethical conduct and related discipline, as documented in Section G: Personnel, of the District Board policies, proper ethical guidelines as outlined by the 1990 version of the Unfair Claims Settlement Practices Act, Section 3 and 4, will be adhered to at all times in Risk Management.

III. POST OFFER/PRE-PLACEMENT PROGRAM (POPP)

To promote employee safety and to verify that employees are qualified to perform the essential functions of their jobs, Risk Management administers the District's Post Offer/Pre-Placement program (POPP program).

Available budget resources and/or other considerations as determined by the Superintendent or his/her designee will govern this program.

A medical services provider and/or a medical doctor will evaluate physical and/or mental capability tests and findings in accordance with the approved program criteria.

If determined that an employee cannot physically or mentally perform the job for which the employee was hired, or it is determined that the District cannot reasonably accommodate the work environment for the employee to perform the essential functions (if required under the Americans with Disabilities Act), Risk Management may recommend to Human Resources that the employee not be placed in that particular job.

Only the Superintendent or his/her designee may waive this recommendation, in writing.

Any exception to the established POPP program requirements and provisions, can only be approved by the Superintendent, or his/her designee, in writing.

IV. PROCUREMENT OF INSURANCE AND/OR PROFESSIONAL SERVICES

Subject to available budget resources, legal requirements, and Board policies, insurance and consultant services may be solicited by Risk Management to assist in determining the best insured and/or self-insured program for the District.

The Risk Related Activities department will develop all recommendations to obtain insurance, determine the advantages or disadvantages of self-insuring and/or obtaining consultant or other vendor services, which will be reviewed and approved or modified by the Deputy Superintendent/Chief Financial Officer.

Risk Management will initiate a Request for Proposal (RFP), for each and/or any insured coverage approximately every 3 years unless otherwise recommended, in writing, by the Director of Risk Related Activities, and approved by the Deputy Superintendent/Chief Financial Officer.

Risk Management will obtain insurance coverage at terms and conditions that are cost effective and in the best interests of the District. The renewal of any such insurance will be with the prior written approval of the Director of Risk Related Activities, and any changes in deductible levels must be pre-approved in writing by the Deputy Superintendent/Chief Financial Officer.

Policies whose annual premiums are greater than \$250,000 must be recommended by the Director of Risk Related Activities, concurred by the Deputy Superintendent/Chief Financial Officer, and approved by the Board.

V. FINANCIAL REQUIREMENTS

Utilizing the approved financial process, Risk Management will provide an in-depth financial analysis to the Director of Fiscal Services, to fund the claim and Margin/IBNR reserve requirements for the next fiscal year. This analysis will identify total reserve requirements for outstanding claims and the estimated incurred claims cost that will occur within the next fiscal year.

VI. APPROVAL LEVELS

Approval levels for reserves, payments, and settlements have been established.

Access to the Authority Level Table requires written approval of the Deputy Superintendent/Chief Financial Officer.

Adopted March, 2000
Revised March, 2001
Revised March, 2011
Revised November 2, 2012

Revised September 9, 2015

LEGAL REFS.: C.R.S. 22-32-110 (1)(s),(t),(u),(v)
C.R.S. 22-45-103(1)(c),(e)
C.R.S. 22- 54-105(2)
C.R.S. 24-10-115
C.R.S. 24-10-115.5
C.R.S. 24-72-201 et seq.
C.R.S. 29-13-101
C.R.S. 22-44-102(1)
C.R.S. 22-44-103

CROSS REF.: BID/BIE, Board of Education Member Compensation and Expenses/
Insurance Liability
DBJ, Budget Transfers
EI, Insurance and Self-Insurance Program/Risk Management
EIB, Liability Insurance
GBGD, Worker's Compensation