POLICY PURPOSE: INSURANCE OVERVIEW

It is the policy of the University Student Union, Inc. (USU) to conduct programs and activities in a manner that does not pose an unreasonable risk of injury or loss.

The purpose of the USU Risk Management Program is to develop proactive programs that will reduce the frequency and severity of incidents leading to injury and loss and to minimize associated costs.

Auxiliary organizations are required to develop programs to manage risk related to activities in which the organizations are engaged. The CSU has established a joint powers agency to operate a variety of risk management programs. This program includes features that enable auxiliary organizations to obtain insurance coverage for certain risk programs at low rates. The program is called the Auxiliary Organization Risk Management Alliance (AORMA) established under the authority of the California State University Risk Management Authority (CSURMA).

RESPONSIBILITIES

It is the responsibility of the USU management team to ensure that USU employees are familiar with USU risk management policies and procedures. The management team will consult with the campus Risk Manager when potential conflicts with campus risk management policies or procedures arise. The USU management team will ensure that obligations in contract documents are monitored and implemented.

USU department managers and employees are responsible for adhering to USU risk management procedures and for notifying their supervisor or the management team when potential conflicts with USU policy and procedures arise.

RISK MANAGEMENT METHODOLOGY

The following methodology will be used to identify and manage risks that may impact the USU:

- **Identification of Risk**: Conduct a systematic review of an activity or event to determine the potential risk to life or property that could result through negligence or accident.

- **Evaluation of Risk**: Examine the event or activity to determine the seriousness of the loss exposure and methods mitigating the exposure.

- **Selection of the Best Risk Management Technique**: After a risk has been identified and evaluated, a risk management technique or combination of techniques is selected to minimize the probability of loss or the severity of loss. Techniques may include the use of waivers; additional insurance; training; or modification of the event.
IMPLEMENTATION OF THE BEST RISK MANAGEMENT TECHNIQUE: Once the best risk management technique is selected, the USU management team will ensure that it is implemented.

Monitor and Evaluate the Results: The USU management team will continually monitor and evaluate the effectiveness of chosen risk management techniques. As part of this process, risk management techniques may be modified to improve risk mitigation or to limit impact on campus event or activity.

INSURANCE OVERVIEW

A. Required Insurance Coverage that the USU Must Purchase:

- Commercial General Liability
- Business Automobile Liability Coverage
- Workers Compensation
- All Risk Property
- Participant Accident Insurance
- Fiduciary Liability
- Commercial Crime

Requests for the University Student Union’s (USU) certificate of insurance from third parties must be routed through the management team which serves as the liaison between USU staff and the USU’s insurance broker.

B. Insurance Requirements for USU Contractors & Clients

In order to manage risk, the USU requires that contractors and certain clients doing business with the USU carry insurance. The contractor or client must provide an insurance certificate evidencing the required coverage. If a contractor is not able to comply with minimum insurance requirements, the USU cannot do business with that contractor unless a risk assessment is performed.

C. Insurance Certificates

Insurance certificates must be obtained from contractors or clients to show evidence of minimum insurance coverage cited in Section E. Insurance certificates are issued as a matter of information only and confer no rights on the USU (certificate holder). The certificate does not amend, extend, or alter the coverage afforded by the policies listed in the certificate.

D. Risk Assessments

A risk assessment must be performed for any contractor or client unable to meet the USU minimum insurance requirements described in Section E. The purpose of the assessment is to determine if it is acceptable for the USU to assume risk that would normally be assumed by the
contractor or client. The risk assessment form must be approved by a USU management team member.

E. USU Insurance Requirement List

USU contractors and clients must meet the following insurance requirements unless a risk assessment is completed:

- **Insurance Certificate Holder** - The University Student Union, Inc. of California State University Northridge is named as the certificate holder

- **General Liability** - comprehensive or commercial form minimum limits
  - Each Occurrence $1,000,000
  - General Aggregate $2,000,000

- **Business Automobile Liability** - minimum limits on Owned, Scheduled, Non-Owned, or Hired Automobiles with a combined single limit of not less than $1,000,000 per occurrence. Proof of auto liability coverage is required if the vendor uses its vehicle or automobile in providing its service to the USU. Proof of auto liability coverage is not required if the vendor is only using its vehicle or automobile to transport itself between its place of business and the USU or if the vendor is only parking their vehicle or automobile in a campus parking lot.

- **Worker’s Compensation** - as required under California State Law. Proof of workers compensation coverage is not required if the vendor does not have any employees or uses independent contractors to provide its services to the USU. An owner or sole proprietor of a business is not required to have workers compensation coverage for him or herself.

- **Professional Liability Insurance** – only required for contractors who provide professional services. Examples are actuarial consultants, retirement plan consultants, third party administrators, external audit firms, investment advisors, architects, and facility planners.

- **Insurance Company Ratings** - insurance shall be placed with insurers with a current A.M. Best’s financial strength rating of no less than A- and a financial size category rating of no less than VII. Minimum A.M. Best ratings ensure that the contractor’s insurance company is capable of paying claims.

- **Additional Insured Endorsements & Endorsement Language** - the general liability and automobile liability policies are to include additional insured endorsements that contain the following provisions:
  - The University Student Union, Inc., California State University, Northridge; The State of California; the Trustees of the California State University; California State University, Northridge; and their officers, agents, volunteers and employees (hereinafter referred to as the University Student Union) are to be included as additional insured with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the vendor/contractor; and with respect to
liability arising out of work or operations performed by or on behalf of the Vendor/contractor including materials, parts or equipment furnished in connection with such work or operations, general liability coverage is to be provided in an endorsement to the vendor/contractor's insurance, or as a separate owner's policy.

- **Primary** - for any claims related to any project, the contractor's insurance coverage shall be primary insurance as respects the University Student Union. Any insurance or self-insurance maintained by the University Student Union shall be excess of or the contractor's insurance and shall not contribute with it.

- **Subrogation** - All rights of subrogation under the insurance policies have been waived against the University Student Union. This means the contractor’s insurance company is waiving the right to sue the USU to recover damages.

- **Policy Cancellation Notification** - each insurance policy shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the University Student Union.

*Approved by the USU BOD on June 11, 2012*

**USU CONTRACT PROCEDURES**

Contracts are required for those individuals defined as non-employees and for those organizations that provide contractual services to the USU. A contract is required when there is the potential that a contractor’s or client’s activities could result in an insurance claim against the USU from injured third parties.

USU contractors and clients are required to indemnify the USU, ensure that their subcontractors meet USU minimum insurance requirements, and protect USU confidential data.

**Indemnification** - The contractor agrees to indemnify and save harmless the USU, the State of California, the Trustees of the State University, California State University, Northridge, and their officers, agents and employees from damages, liabilities, losses, costs and expenses arising from third party claims and sustained or incurred by any of the foregoing indemnities, but only to the extent that such damages, liabilities, losses, costs and expenses are caused by the negligent acts, errors and/or omissions of the contractor, or any person or entity for whom the contractor is legally liable, in the performance of services under this agreement.

**Subcontractor’s Insurance** - contractor shall ensure that its subcontractors are covered by insurance of the types required by the agreement, and that the amount of insurance for each subcontractor is appropriate for the subcontractor’s work. Contractor shall not allow any subcontractor to commence work on its subcontract until the insurance has been obtained.

**Confidentiality of Data** - all financial, statistical, personal, technical and other data and information relating to the USU’s operation which are designated confidential by the USU and
not otherwise subject to disclosure under the California Public Records Act, and made available to the contractor in order to carry out this contract, or which become available to the contractor in carrying out this contract, shall be protected by the contractor using the same level of care in preventing unauthorized disclosure or use of the confidential information that it takes to protects its own information of a similar nature, but in no event less than reasonable care. The contractor shall not be required under the provisions of this clause to keep confidential any data or information that is or becomes publicly available, is already rightfully in the contractor's possession, is independently developed by the contractor outside the scope of this contract, or is rightfully obtained from third parties.

A. USU Contract Types

- **Standard Agreements** – used for contracts between the USU and contractors (excludes performers, entertainers, and lecturers). With very limited exceptions, a purchase order is always required to be issued with a standard agreement.

- **Performance Contracts** – used for agreements between the USU and performers, entertainers, lecturers, and other entertainment-related entities. With very limited exceptions, a purchase order is always required to be issued with a performance contract.

- **Terms of Reservation Agreement** – used solely between the USU and clients who rent meeting rooms. These contracts are administered by the USU Reservations & Events department.

- **Matador Mall Agreement** – used solely between the USU and clients who rent USU and CSUN space on daily or weekly basis to sell their approved products. The vendor also signs a Matador Mall Rules & Regulations document in which the vendor fair participant agrees to indemnify the USU et al. against any and all liability, loss, damage, expense, costs of every nature, and causes of action arising out of or in connection with the use by vendor of said property.

It is not practical or administratively feasible to obtain insurance certificates from the Matador Mall participants who sell at the fair. The majority of the Matador Mall participants do not have the financial capacity to meet the USU’s minimum insurance requirements.

- **Sublease Agreements** – used to lease physical space located in the USU to an on-campus or off campus entity. The sublease agreement is modeled after the Auxiliary Organization Sublease template located on the Chancellor’s Office website at [http://www.calstate.edu/CSP/](http://www.calstate.edu/CSP/). The template can be customized to needs of the USU. Sublease agreements are administered by the Commercial Services Manager.

Generally speaking, contracts are required when the contractor performs its services on USU and/or CSUN premises. However, professional services performed by a contractor offsite also may require a contract.

B. Examples of Services Performed Onsite (not an exhaustive list)
Risk Management and Contracts Policy & Procedure

- Facility-Related Maintenance or Repairs:
  - Heat, Ventilation, and Air Conditioning (HVAC)
  - Grounds maintenance
  - Building maintenance
  - Elevator repairs
  - Janitorial services
  - Copier maintenance
- Performance and Entertainment Services:
  - Musical acts
  - Speakers & lecturers
  - Comedy acts
- Off-campus catering services as defined in Section III.A.c.
- Rental of Meeting Services Rooms
- Matador Mall Rental Space

C. Examples of Services Performed Offsite (Standard Agreements Only)

- Software licensing
- Payroll services
- Consulting
- Facility planning
- Architects
- Audit & accounting firms
- Legal Services (includes retainers)
- Actuarial services
- Retirement planning services
- Investment & financial planning services
- Third party administration of retirement services

Contracts are not required for the routine purchase of materials and supplies (office supplies, maintenance supplies, programming supplies, etc.)

D. Contractor Agreements

It is not uncommon for a contractor to request the USU to sign its contract. It is permissible for the USU to sign the contractor’s agreement and for the contractor to sign the USU’s agreement as long as the terms of both agreements do not conflict. It is the responsibility of the USU contract preparer to ensure there is no conflict between contracts.

It is also permissible for the USU to sign the contractor’s agreement in lieu of the USU agreement as long as the USU’s insurance, indemnification, subcontractor insurance, and confidentiality of data requirements are included in the contractor’s agreement.

There are occasions where the contractor will refuse to sign the USU’s contract or add the USU’s term and conditions to its agreement. If this occurs, the USU cannot do business with this contractor unless one or more of the following conditions are met:
RISK MANAGEMENT PROCEDURES FOR FOOD & BEVERAGE CONTRACTORS

Note: this section does not apply to prepackaged food as described in the USU Food & Beverage Policy & Procedure.

A. Off-Campus Caterers

An off-campus caterer is defined as a food and beverage contractor who physically comes on to USU or CSUN premises to prepare and/or serve food at a USU sponsored event. It is customary for the caterer to provide personnel to prepare and serve the food. The following documentation is required before a caterer is allowed to come on campus to serve food and beverages:

• Standard Agreement
• Purchase Order
• Proof of meeting USU minimum insurance requirements
• Current Health Operating Permit (HOP) from the County Department of Health where the caterer’s business resides.
• A minimum rating of an “A” from the County Department of Health. Ratings for caterers and food and beverage providers in Los Angeles County can be obtained online at http://publichealth.lacounty.gov/rating/. Note: Only caterers that have physical eating establishments will have a rating.

Reference Section III.C. on how to handle caterers utilized by USU Reservation & Events clients.

B. Delivered Food and Picked Up Food and Beverages

The USU does not require that food and beverage contractors meet minimum insurance requirements for food that is either delivered to the USU or picked up by a USU staff member at the contractor’s place of business. This applies to food and beverages purchased for student-oriented events or internal staff training. Once food is delivered or picked up by a staff member, risk for any damages caused by the food is transferred to the USU from the food and beverage contractor. The following documents are not required for delivered food or food picked up at the contractor’s place of business:

• Standard Agreement
• Purchase Order
• Proof of meeting USU minimum insurance requirements
• Department of Health Operating Permit
However, it is required that the food and beverage contractor have a minimum of an “A” rating from the County Department of Health where the food and beverage contractor resides. Proof of the contractor’s rating must be attached to any contractor invoice, check request, American Express bill, or petty cash receipt used to pay the contractor.

It is highly encouraged to use the corporate American Express card to purchase food for student-oriented events and internal staff trainings. Also, it is best practice that the contractor deliver the food directly to the USU (even if delivery charges are assessed) in order to minimize risk management issues associated with employees who would utilize their personal vehicle to pick up the food.

C. Food ordered by USU Reservations & Events Clients

USU Reservation & Events’ clients commonly bring in food as part of their events. Clients may provide food and beverages for their events only with prior approval from the USU Reservations & Events Office. The sale of any food or beverage items is prohibited. Clients may use The University Corporation located on campus or an off-campus food and beverage contractor, or bring in store-bought prepackaged food. Proof of insurance and health operating permits are not required if the client utilizes The University Corporation.

The Terms of Reservation Agreement (signed by the client) explicitly states that the USU is not responsible for the quality of foods or the health of and safety of people consuming such food products brought into the facility.

Clients who bring in food must provide the following documentation from the food and beverage contractor prior to the date of the event:

- Certificate of insurance evidencing proof of general liability coverage
- Public Health Operating Permit.

Debra L. Hammond, Executive Director

6/15/12

Date