

UNIVERSITY OF ARIZONA

RISK MANAGEMENT AND LOSS PREVENTION PROGRAM

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RISK MANAGEMENT AND LOSS PREVENTION POLICY

Policy Number: RM-001

Contact: Director of Risk Management and Safety

Effective Date: 12/12/2005

Approved By: University President

I. Introduction

This document is written to describe the Risk Management and Loss Prevention Program for the University of Arizona (U of A). Risk management as a discipline adopts the business practices necessary to manage operational risk exposures through safety and loss prevention programs, and combines this with strategies to finance losses involving property, liability and worker injuries. This document establishes institutional policy, and identifies the program components and responsibilities that comprise and support the U of A's Risk Management and Loss Prevention Program.

II. Background

The Arizona Administrative Code R2-10-205 through 207 requires all Arizona State entities (or instrumentalities), including universities, to establish a loss prevention program that integrates safety and loss prevention into all activities as part of a comprehensive risk management effort. This policy document and implementation of the programs described herein outline the U of A's strategy for compliance with the requirements of the Arizona Administrative Code referenced above.

III. Policy Statement

The U of A is committed to creating, maintaining and continuously improving a culture that reflects a commitment to protect people, property and the environment. This will be accomplished through a Risk Management and Loss Prevention Program establishing a management system of standard practices, policies and procedures directed at accomplishing the following:

- Preventing and controlling losses of human, physical and financial resources.
- Achieving and maintaining compliance with applicable rules and regulations.
- Ensuring efficient and appropriate insurance coverage and recovery of losses through the State of Arizona statutory insurance program.

The goals of safety, loss prevention and risk management are consistent with the core values of the institution, and contribute directly to the U of A's foundation for excellence in research, education and public service. The resultant benefits are protection of human life and physical assets, prevention of human pain and suffering, cost avoidance through safety and loss prevention, and efficient financial recovery of losses incurred.

IV. Program Goals

- A. To provide a safe and healthful environment, where faculty, staff, students and campus visitors can work and visit without accidents or injuries.
- B. To reduce costs associated with accidents and asset losses to the greatest extent practicable by preventing losses and managing exposure to loss.
- C. To promote a culture of continuous compliance with applicable regulatory programs.

V. Responsibilities

Personnel mentioned in sections A, B, and D (below) as well as the Senior VP for Business Affairs, the VP for Legal Affairs and General Counsel, the VP for Research, Graduate Studies, and Economic Development, the Vice Provost for Instruction, and the Senior VP for Campus Life, shall have the primary responsibility to identify noncompliance and take action to make sure that we are in compliance.

A. **Senior University leaders** (e.g. Vice Presidents and Deans) actively support the effective implementation of the Risk Management and Loss Prevention Program within their areas of responsibility.

B. **Department/Unit Heads, Directors, Managers and other supervisors** by virtue of their position are responsible for the following:

- 1. Ensuring that employees under their direction are provided the proper equipment and are instructed in or are made available to receive training on its proper use, and are empowered to perform their on-the-job duties safely and in accordance with regulatory requirements.
- 2. Establishing and implementing a management and supervisory structure that promotes and encourages safe job performance, loss prevention, liability reduction and protection of university assets.
- 3. Ensuring that programs and activities under their direction and control are implemented in compliance with applicable rules and regulations.

C. **All members of the University community** share the responsibility of conducting their activities in a reasonable manner that promotes safety and minimizes losses consistent with university policy and the guidance and direction and resources provided by management and senior university leaders.

D. The Director of Risk Management and Safety

- 1. Serves as the UA Risk Manager and the Loss Prevention Program Coordinator.
- 2. Manages the UA Risk Management and Safety efforts and programs described herein.

3. Provides risk management and safety technical assistance and guidance to UA units in pursuit of UA program goals stated in paragraph 1.3.
4. Serves as the UA Liaison to the Arizona Department of Administration Risk Management Section.

E. **Executive Risk Management Committee** provides leadership and support for the Risk Management and Loss Prevention Program (Details are contained in Section VI.)

F. **Responsibility for Non-Compliance**

Successful implementation of the Risk Management and Loss Prevention Program relies on a network of shared responsibilities as outlined above in paragraphs A. - E. These responsibilities are to be considered part of each employee's job duties, and should be evaluated along with other responsibilities as part of the performance appraisal process. This level of accountability is critical to ensure uniform commitment to the goals of this policy.

Non-compliance with policies and procedures affecting risk management, loss prevention, or safety may result in disciplinary action, up to and including termination of employment. A person can be dismissed or given a sanction involving loss of pay or benefits only if the particular violation alleged and established is of a serious nature.

In addition to individual disciplinary action, failure to carry out assigned responsibilities concerning risk management, loss prevention, or safety may result in other undesirable outcomes, including:

1. Increased risk of injury or death to faculty, staff, students, and the public.
2. Increased risk of claims or lawsuits.
3. Increased risk of loss of revenue, property, money, and reputation.
4. Regulatory penalties for non-compliance. Financial responsibility rests with the unit or area where the violation occurred.
5. Uninsured loss, or recovery reduced by deductibles or other penalties. Financial responsibility for losses rests with the unit or area where the loss occurred.
6. Increased institutional cost for insurance. Budgetary responsibility for insurance costs may be allocated to individual units based on loss history.

VI. Executive Risk Management Committee Formation and Operation

A. Formation: The Executive Risk Management Committee (ERMC) is established by and its membership is appointed by the University President.

Membership of the ERMC as a minimum, shall include the following:

Senior VP for Business Affairs (ERMC Chairperson)

Vice President for Legal Affairs and General Counsel
Vice President for Research and Graduation Studies
Vice Provost for Instruction
Senior Vice President for Campus Life
A faculty member as described in A.1. below.
Director of Risk Management and Safety (staff support to the ERMC).

1. A faculty member who is chair of one of the campus safety committees identified in Appendix B.2. shall be designated to serve as a member of the ERMC for the duration of their service as a safety committee chairperson. The designation of this faculty representative will be rotated among the campus safety committees.

Establishment of the ERMC meets the requirements of the Arizona Administrative Code, which requires state entities to establish a committee for this purpose. The applicable rule language is appended below:

R2-10-206.C. Each agency head shall establish an agency loss control committee to develop, implement and monitor the agency's loss control program. Personnel appointed to the committee shall be management level personnel representing each major division within the agency. Agencies with multi-level organizational structures shall ensure that committee membership is representative of the functional and geographical divisions of the agency.

- B. Objectives: In accordance with the above referenced rule, the objectives of the Committee are to ensure the development, implementation, and monitoring of the Risk Management and Loss Prevention Program for the University of Arizona, and to ensure compliance with the required program elements described in Section R2-10-207.
- C. Sphere of Interest: Areas covered by the Risk Management and Loss Prevention Program as required by the Arizona Administrative Code R2-10-207 include:
1. UA Loss Prevention Policy Statement
 2. Employee safety training
 3. Record keeping of employee safety training
 4. Emergency plans for university locations
 5. Scheduled safety inspections of buildings, grounds, equipment
 6. Accident and incident investigation procedures
 7. Work related accident reporting and investigation procedures
 8. Maintenance program for state vehicles, equipment and grounds
 9. Fire protection program that meets the State Fire Code
 10. Security systems and procedures for employees
 11. Environmental compliance and protection program
 12. Industrial hygiene program
 13. Motor fleet safety program
 14. Safety and security procedures for construction sites

D. Committee Operation

The ERMC will meet at least annually, or more often as needed to carry out its responsibilities. Regular meetings will include a presentation and discussion of current loss history and trends, new loss exposures facing the U of A, status reports for ongoing loss prevention efforts, compliance status, and future plans. Meetings will be scheduled well in advance, with an opportunity for members to suggest agenda topics. Minutes will be kept of each meeting. The Department of Risk Management and Safety will provide operational and staff support to the activities of the ERMC. The Senior Vice President for Business Affairs will serve as Chairperson for the ERMC.

E. Relationship to Other Campus Committees

The U of A has multiple committees established on campus to address safety, health, and risk management issues in specific functional areas. The ECRM does not replace these committees and does not duplicate their effort. Each of the existing safety committees serve a vital role for their respective areas of responsibility, and are key components of the Risk Management and Loss Prevention Program for the U of A. The ECRM is intended to provide broad oversight and direction for all loss prevention efforts of the institution. U of A committees that serve a safety, health, or loss prevention purpose include:

- Institutional Chemical Safety Committee
- Institutional Biosafety Committee
- Radiation Protection Committee
- Human Subjects Protection Program - Institutional Review Board
- Institutional Animal Care & Use Committee, Animal Hazards Program
- Campus Emergency Response Team
- Dean of Students Behavioral Assessment Team
- Human Resources Workplace Violence Assessment Team
- Campus Community Occupational Health Committee
- Chemistry Department Safety Committee
- Facilities Management Department Safety Committee
- Fleet Safety and Accident Review Committee
- UA Ombuds Program

VII. RISK MANAGEMENT AND LOSS PREVENTION PROGRAM

A. Need for Risk Management and Loss Prevention Program

Loss exposures in their broadest sense can be logically classified into four distinct areas:

Property: buildings and land, equipment, supplies, vehicles, inventories, collections, intellectual property, cash, records and documents

Liability: personal injury, vehicle liability, employment practices, environmental,

medical malpractice, regulatory compliance, contractual liability

Personnel: employee injury or death, loss of expertise, loss of continuity

Net Income: revenue loss, reduction in grants, contracts, or appropriations, investment loss, opportunity costs, costs imposed by delay or program interruption

The U of A has exposure to loss in each of these areas on a continuing basis. The Risk Management and Loss Prevention Program is designed to systematically evaluate loss exposures, implement policies and procedures to prevent or minimize losses, monitor program effectiveness, and make revisions as necessary for continuous program improvement.

B. Risk Management Process

Risk Management is most effectively implemented if an organized process or method is applied. The process used at the U of A has five key components as described below.

1. **Risk Identification**
This part of the process seeks to identify potential sources of loss that may affect the organization, within the logical loss exposure classifications described in above in paragraph VII.A.
2. **Risk Analysis**
Once loss exposures have been identified, quantitative and qualitative analysis are performed to evaluate loss potential. Risk analysis also considers the impact of loss frequency and severity, and the correlation between these indicators. Exposures with expected low frequency and low severity will be addressed differently than those with high frequency and high severity
3. **Risk Control**
Risk control includes the actions taken pre-loss to reduce frequency and severity of losses, and actions taken post-loss to minimize severity. Loss prevention efforts, safety programs, and other risk control measures are all part of this step in the risk management process.
4. **Risk Financing**
The goal of risk financing is to ensure that funds are available at the least possible cost to pay for losses that occur within the organization. Methods of risk financing include insurance programs, self-insurance or retention, and contractual transfer of risk.
5. **Risk Administration**
Effective risk management programs must monitor themselves to identify needed adjustments to priorities and strategic direction. Evaluating loss trends, costs, regulatory compliance, and program effectiveness are all part of the risk

administration portion of the process.

In an active risk management program, all of the five steps in the process will be performed concurrently on a continuing basis for different exposures and situations. A generally accepted principle in risk management is that the most effective programs will attempt to utilize at least one risk control strategy and one risk financing strategy for each identified exposure. This ensures that reasonable steps are in place to manage frequency and severity, and that financial ability to manage losses without undue stress on the organization is preserved.

C. Program Components

The U of A has implemented a wide variety of programs that comprise the institutional effort for risk management and loss prevention. Many of these programs are implemented and maintained by the Department of Risk Management and Safety (RM&S) as the U of A's lead coordinating unit for these issues. **Appendix A** of this document describes the program components managed by RM&S.

In addition to RM&S programs, numerous other departments and programs provide a substantial risk management or loss prevention benefit in the course of their mission and activity. **Appendix B** identifies these program components, provides a brief description of the safety and loss prevention benefit of each program, and indicates the U of A unit where program responsibility is currently assigned.

APPENDIX A

Risk Management and Safety (RM&S) Department

- A.1 RM&S Department Description and Mission Statement
- A.2 RM&S Programs and Services
 - A.2.1 Insurance programs
 - A.2.2 General Risk Management and Loss Prevention Programs
 - A.2.3 Building and Fire Safety Programs
 - A.2.4 Occupational Safety and Health Programs
 - A.2.5 Environmental Compliance Programs

A.1 RM&S Department Description and Purpose

The Department of Risk Management and Safety (RM&S) is an administrative service unit within Business Affairs, charged with coordinating and implementing the university's overall risk management and loss prevention effort. RM&S provides services to the campus community for insurance claim processing, environmental health and safety, and risk management consultation.

RM&S has adopted the following departmental mission statement:

We provide consultation and service to the University community in the areas of health & safety, environmental protection and insurance.

Our activities help our customers to:

- * *engage in safe work practices;*
- * *identify strategies and processes to reduce risks and losses;*
- * *comply with pertinent laws and regulations;*

thereby promoting a safe work and learning environment in their pursuit of the University mission.

A.2 RM&S Programs and Services

RM&S programs and services can be categorized into five general areas. Each area is described in detail in the following sections.

- Insurance - property, liability, worker's compensation
- General risk management and loss prevention
- Building and fire safety
- Occupational safety and health
- Environmental compliance

A.2.1. Insurance programs

Source of UA insurance coverage

The University of Arizona is insured for property, liability and workers' compensation exposures through a statutory program administered by the Arizona Department of Administration, Risk Management Section (ADOA-RMS). The statutory reference is Arizona Revised Statutes §41-621 *et seq*, with associated Administrative Rules in R2-10, Articles 1-6. ADOA-RMS meets coverage obligations for the U of A through a combination of funded self-insurance and purchased excess insurance for specific exposures. State adjusters and third party adjusting firms manage claims. The Insurance Defense Section of the Arizona Attorney General's Office handles legal defense of claims and lawsuits against the U of A, coordinating with the Office of the General Counsel (OGC).

State Liaison

The Director of RM&S is the U of A's principal liaison to ADOA-RMS and is responsible for maintaining contact with this agency for all matters concerning insurance coverage, claims administration, and loss prevention issues. In accordance with R2-10-206, the Director of RM&S is also designated as the University's loss prevention coordinator.

Insurance Procedures

RM&S is responsible for maintaining written procedures and forms for the insurance program components listed below.

1. Property loss claims - theft, vandalism, property damage, auto damage
2. Liability claims - bodily injury, property damage, employment practices, medical malpractice, auto liability, environmental liability
3. Worker's Compensation - on the job injury reporting, claim filing and monitoring, modified duty return to work, payroll and benefits coordination
4. Requests for coverage verification or Certificates of Insurance
5. Obtaining coverage for non-owned property in UA custody and control
6. Special coverage considerations for collections
7. Contract issues - indemnification issues, insurance requirements
8. Mexican auto insurance

A.2.2. General Risk Management and Loss Prevention Programs

RM&S coordinates general risk management and loss prevention efforts in the following areas:

Fleet Safety - Working closely with the UA Motorpool, and other departments that operate vehicle fleets, RM&S coordinates the UA Fleet Safety Program, which includes:

fleet safety policy
driver safety training

accident and claim reporting
motor vehicle record (MVR) review

Facilities Management (FM) performs all fire alarm and sprinkler system testing and maintenance in U of A buildings, and maintains records of these activities.

A.2.4. Occupational Safety and Health Programs

Work at the U of A is performed in many diverse settings, often requiring employees to have special training, equipment, and/or workplace modification to conduct their work safe from risk of injury or job related illness. RM&S works closely with managers, supervisors, and employees to achieve this goal. In support of this goal, the following Safety Principles are adopted and promoted in U of A workplaces.

UNIVERSITY OF ARIZONA - SAFETY PRINCIPLES

The University of Arizona is committed to conduct all activities in a safe and healthful manner. The recognition, evaluation, and control of hazards that may contribute to accidents or injury is vital to the success of the university's mission. The success of these efforts depends upon a thorough understanding and acceptance of the following principles at all levels of the organization.

- **All injuries are preventable**

In spite of the hazards inherent to any given activity, all injuries that might arise from that activity are preventable if proper safeguards and procedures are implemented.

- **Management is responsible for prevention of injuries**

Although all individuals are responsible for conducting themselves safely, those in management and supervisory positions are best positioned to ensure that work practices necessary to prevent injuries are properly implemented and enforced.

- **Training is essential to safety success**

The provision of timely and appropriate safety training for all employees is central to any successful safety management effort.

- **Safety makes good financial sense**

Good safety management generates a direct positive impact on the university's financial condition. These benefits include decreased liability, reduced absenteeism, enhanced employee morale and higher productivity.

- **Working safely is not optional**

The university expects all members of the university community to conduct their activities in a safe manner as a condition of employment. Those individuals who demonstrate an unwillingness to meet this objective place themselves, their colleagues, and the institution at a level of risk that is incompatible with the university's mission.

- **Compliance with regulatory programs is not optional**

The university strives to achieve and maintain compliance with all regulatory programs that address the protection of health, safety, and the environment.

- Inspection, audit and enforcement are necessary

Appropriate mechanisms of compliance review and enforcement are necessary to assure that safety responsibilities are being properly carried out at all levels of the organization, and to correct deficiencies as quickly as possible.

Regulatory Considerations

Regulations governing employee health and safety in the workplace arise from the Occupational Safety and Health Administration (OSHA), and are enforced by the Arizona Division of Occupational Safety and Health (ADOSH) through delegated federal authority. State entities, including the U of A are under ADOSH jurisdiction for compliance with OSHA regulations.

The Director of RM&S is the university's designated liaison to ADOSH. RM&S serves as the point of contact for ADOSH investigations and inspections in university workplaces and prepares all responses to ADOSH inquiries and citations on behalf of the university. Responsibility for corrective action and financial penalties is assigned to the department where violations occurred.

Most OSHA regulations require the employer to develop and maintain a written plan that describes how compliance is achieved and maintained. RM&S maintains written institutional compliance plans for the specific OSHA standards referenced below. Departments are responsible for ensuring that departmental procedures are established in each workplace to achieve consistent compliance with institutional compliance plans and the governing regulations. Procedures must be sufficiently detailed to address site specific conditions in different shops, labs or other sub-units within a department.

OSHA Compliance Programs

OSHA regulations are referenced in Title 29 of the Code of Federal Regulations, Part 1910, and the U of A is required to comply with all applicable sections. The list of individual standards shown below is not all-inclusive, but does represent the OSHA standards which are most commonly applicable to workplaces and jobs at the U of A.

1. Hazard Communication - 29 CFR 1910.1200
This standard addresses the safe use of hazardous chemicals by employees in non-laboratory settings. Examples include cleaning and maintenance products, pesticides, office chemicals, paints, etc. Requirements focus on employee training, hazard recognition, and container labeling.
2. Occupational Exposure to Hazardous Chemicals in Laboratories - 29 CFR 1910.1450

This standard is similar to the Hazard Communication Standard except that it is focused specifically at employees working with hazardous chemicals in laboratories. Requirements include a written Chemical Hygiene Plan and employee training.

3. **Bloodborne Pathogens - 29 CFR 1910.1030**
This standard addresses safety of employees who work with or may be exposed on the job to human blood and body fluids. Requirements include a written Exposure Control Plan, employee training, provision of the Hepatitis B vaccine, exposure and spill procedures, and waste disposal.
4. **Personal Protective Equipment - 29 CFR 1910.132-140**
Subpart I of the OSHA Standards addresses employer responsibilities when employees are assigned protective equipment for eyes, face, head and hands. Respiratory protection, also covered by the Subpart addresses respirator selection, medical review, training, and fit testing.
5. **Hearing Conservation - 29 CFR 1910.95**
This standard establishes noise exposure limits, and the employer's requirements concerning audiometric testing, engineering controls, and training of employees.
6. **Permit - Required Confined Spaces - 29 CFR 1910.146**
Improper entry into confined space has taken the lives of many workers and would be rescuers. This standard requires employers to follow exact procedures to ensure that confined spaces are properly evaluated and controlled prior to entry. Training of entry supervisors and employees is mandatory.
7. **Control of Hazardous Energy - 29 CFR 1910.147**
Commonly referred to as "lockout-tagout", this standard requires employers to have written procedures, and employee training to protect employees working with electricity, fans, pumps, etc. from injury caused by inadvertent startup or energizing of equipment before everyone is clear.
8. **Toxic and Hazardous Substances - 29 CFR 1910.1000 - 1500 (Subpart Z)**
This portion of the standard is very extensive, and includes regulations governing exposure to specific hazardous materials such as asbestos, lead, formaldehyde, and a host of other chemicals, many of which are used in U of A laboratories. These standards also establish exposure limits, workplace monitoring requirements, medical surveillance and employee training.

Other Occupational Safety and Health Programs

RM&S coordinates additional programs and services for employee health and safety that do not have specific OSHA standards, although individual situations in these areas may be subject to regulation. These activities include:

Ergonomics - Ergonomic injuries at the U of A are most often associated with manual material handling, the use of computers and hand tools. Poor ergonomic conditions and improper work practices can lead to cumulative trauma disorders (CTDs), also known as repetitive stress injuries (RSIs). Ergonomic injuries warrant special loss prevention effort because they often result in extended loss time by injured employees, and these injuries are relatively easy to prevent with basic job assessment and appropriate workplace adjustments. RM&S provides assistance in the form of workplace assessments, recommendations, and training.

Indoor Air Quality (IAQ) - Contamination of indoor work environments can cause occupants to experience adverse health symptoms adversely impact productivity. Air contaminants may originate from building maintenance activities such as painting or renovation, from previous water damage, which may lead to high mold levels, or from occupants themselves, through cigarette smoke or improper containment of chemicals. Pollutants captured by outside fresh air intakes also contribute to IAQ problems, as does inadequate maintenance of ventilation systems. RM&S investigates IAQ complaints and works closely with FM to identify solutions to correct the problem.

Medical Surveillance and Monitoring - Certain job tasks warrant regular medical evaluation of employees to ensure that safety practices to protect health are indeed performing as intended. Many OSHA standards for work with specific hazardous materials require medical surveillance of employees with exposures above specified action limits. The Campus Community Occupational Health Committee, which includes representation from RM&S, Campus Health, Human Resources, and the University Attorney's Office meets regularly to review these programs and evaluate needed changes.

A.2.5. Environmental Compliance Programs

The U of A is governed by a variety of regulations related to environmental protection. RM&S coordinates the U of A's environmental compliance programs and implements policies and procedures necessary to maintain compliance and prevent environmental losses. RM&S serves as the U of A's principal liaison to environmental regulatory agencies, including the U.S. Environmental Protection Agency (EPA), the Arizona Department of Environmental Quality (ADEQ), Pima County Department of Environmental Quality (PDEQ), and Pima County Wastewater Management (PCWM).

Environmental Compliance programs include the following:

Asbestos Management - Asbestos is regulated by OSHA for worker exposure, and by EPA as an environmental air pollutant. Asbestos must be properly managed during construction, renovation, demolition, and maintenance operations to maintain compliance. RM&S maintains a written asbestos management plan, provides worker training, and coordinates asbestos assessments, abatement and regulatory permitting.

Lead Based Paint (:LBP) Management - Many paint products contain lead, which can be hazardous if they become airborne through deterioration, demolition, or maintenance

activities, or if ingested as paint chips. EPA has published management guidance for appropriate handling of LBP, and OSHA standards governing worker exposure are also applicable. Many of the same assessment, containment and monitoring strategies used for asbestos abatement are also applicable for LBP.

Hazardous Waste Management - The U of A is classified by EPA regulations as a Large Quantity Generator of regulated hazardous waste. Hazardous wastes come from teaching and research laboratories, agricultural operations, art programs, and maintenance activities. RM&S collects hazardous waste from U of A generators and manages these materials in a campus storage facility until they are re-packaged to DOT specifications and shipped off site for disposal. ADEQ is the principal regulatory agency with jurisdiction over the U of A's hazardous waste management program.

Biohazardous Waste Management - These materials include animal carcasses and other tissue generated from research activities, infectious lab materials, and medical waste such as syringes and bandages. RM&S coordinates biohazardous waste collection, container storage, and arranging for final disposal or treatment.

Industrial Wastewater Compliance - The Clean Water Act requires that industrial discharges to sanitary sewer systems be controlled to protect the environment. Pima County Wastewater Management (PCWM) administers a pretreatment ordinance to regulate sewer discharges and issues regulatory permits to industrial facilities that use the sewer system. RM&S coordinates and manages all industrial wastewater permits issued to the U of A, and performs sampling, analysis, and reporting as required by each permit.

Stormwater Permitting - Also originating in the Clean Water Act, large facility owners are required to have a Stormwater Management Plan that describes the steps that will be taken to prevent pollutants from being introduced into stormwater runoff, and ultimately into area waterways and washes. RM&S maintains the U of A Stormwater Management Plan, which assigns responsibilities to various units for the control strategies outlined in the Plan.

Fuel Storage Compliance Issues - The storage of petroleum fuel products in tanks is regulated both above and below ground. RM&S coordinates the compliance actions necessary to meet ADEQ requirements for underground storage tanks (USTs) and above ground storage tanks (ASTs), including maintaining an inventory of all U of A owned tanks, review of all tank removals and new installations, and investigation of fuel releases.

Hazardous Material Use Monitoring and Reporting - Organizations that use hazardous chemicals above certain thresholds are required to track their use and file annual reports documenting the types and quantities of hazardous materials used on site. The governing standard is Title III of the Superfund Amendments and Reauthorization Act, also known as SARA Title III. RM&S prepares and files reports required under this standard with the Arizona Division of Emergency Services, Pima County Department of Emergency Services, Pima County Local Emergency Planning Committee, and Tucson Fire Department.

Air Quality Permitting - Title V of the Clean Air Act requires operators of equipment and operations that generate or emit air pollutants to obtain a permit to govern their activity. In Pima County, PDEQ has delegated enforcement authority for air quality compliance issues, including emissions from the U of A. RM&S administers the U of A's Title V Air Quality Permit, and coordinates compliance requirements with departments that manage emissions source equipment and operations.

APPENDIX B

U of A Departments and Programs that Serve as Key Components of the Risk Management and Loss Prevention Program

B.1. Support Units

- A. Facilities Management (FM)
- B. University of Arizona Police Department (UAPD)
- C. Office of the General Counsel (OGC)
- D. Human Resources (HR)
- E. Life and Work Connections (L&WC)
- F. Equal Opportunity and Affirmative Action (EOAA) Office
- G. Radiation Control Office (RCO)
- H. Campus Health Service (CHS)
- I. Financial Services Office (FSO)
- J. Internal Audit
- K. Sponsored Projects Services
- L. Procurement and Contracting Services (P&CS)
- M. Center for Computing and Information Technology (CCIT)

B.2. Safety, Health, and Loss Prevention Committees

- A. Campus Emergency Response Team (CERT)
- B. Campus Community Occupational Health Committee (CCOHC)
- C. Institutional Biosafety Committee (IBC) and U of A Biosafety Officer
- D. Institutional Animal Care and Use Committee - Animal Hazards Program
- E. Institutional Chemical Safety Committee (ICSC)
- F. Human Subjects Protection Program - Institutional Review Board
- G. Radiation Protection Committee
- H. Joint Risk Allocation Medical Malpractice Committee
- I. Dean of Students Behavioral Assessment Team
- J. Human Resources Workplace Violence Assessment Team
- K. UA Ombuds Program and Committee

Risk management and loss prevention programs are much more effective and useful where the program's goals and responsibilities are not only adopted, promoted, and guided by senior management, but also integrated and accepted throughout the organization, being implemented by multiple units with varying missions and areas of responsibility. At the U of A, there are many departments carrying out their primary mission, with enhanced risk management and loss prevention being either a direct or indirect consequence of their activity.

Examples of departments and programs that benefit the U of A's risk management and loss prevention program are listed and described below.

B.1. Support Units

A. Facilities Management (FM)

Many of the services provided by FM directly benefit campus loss prevention. Well maintained facilities are also generally safer facilities. FM provides emergency response whenever needed to adverse incidents such as floods, power outages, other utility interruptions, and damaged facilities to minimize loss severity and restore services as quickly as possible.

Building maintenance activities help to prevent losses associated with indoor air quality, slips and falls, water infiltration and release, and fires. The campus has a comprehensive network of fire alarm and sprinkler systems, which are inspected and maintained by FM, along with all associated record keeping. Documentation of these activities is often an important component of legal defense against liability claims and lawsuits. Building security loss prevention benefits from FM's key control operations and coordination of building security systems through an outside vendor (Amer-X).

FM also manages the U of A Motor Pool operation, which benefits loss prevention by providing the campus a well maintained fleet of rental vehicles for departmental use, and providing central coordination and oversight of regular safety inspections for all U of A owned vehicles.

B. University of Arizona Police Department (UAPD)

As an accredited law enforcement agency, UAPD provides a direct loss prevention benefit through a campus police and security presence, involvement in emergency planning and incident command systems, crime prevention assistance for departments, and traffic enforcement. UAPD also receives and manages response to campus 9-1-1 calls, fire and security alarms, and emergency telephones. U of A property losses arising from criminal activity are investigated by UAPD detectives.

C. Office of the General Counsel (OGC)

In the course of providing legal counsel to U of A administrators and departments, much of the work of this office ultimately provides a loss prevention benefit. Examples include preventing an adverse outcome to a situation, minimizing the severity of an event that has already occurred, or educating the client about legal and regulatory matters so they can perform their duties in a manner that protects the institution from liability. It is OGC's goal to assist in minimizing legal risks and costs, reduce litigation, and achieve legal compliance.

OGC also coordinates closely with the Liability Management Section of the Arizona Attorney General's Office and State Risk Management on defense of claims and lawsuits against the U of A.

D. Human Resources

Employees are an organization's greatest asset, and their actions potentially greatest source of liability. Human Resources benefits the campus loss prevention effort by coordinating responsible employment practices, and by providing a variety of training and assistance to managers and supervisors that helps them do their jobs within a framework that achieves regulatory compliance and good employee relations. These efforts directly help to reduce claims from employees for discrimination, sexual harassment, wrongful termination, etc. Human Resources also plays a lead role in the U of A's management of workplace violence, and other crises involving faculty and staff. HR provides training for departments and managers, and is directly involved in emergency response to critical situations.

E. Life & Work Connections

One of the units within Human Resources is Life and Work Connections (L&WC). This unit provides a variety of services, which provide a significant loss prevention benefit, particularly for loss events involving employees. L&WC coordinates services related to employee wellness, employee assistance, and provides special programs of assistance and referral for many personal and family issues that can be sources of stress that if unmanaged, can lead to accidents on the job, or chronic illness. The L&WC staff is also trained in Critical Incident Stress Management, and is available to provide emergency assistance around the clock. There is clear and compelling evidence that timely provision of these services can prevent or greatly minimize worker's compensation claims and other losses associated with adverse events.

F. Equal Opportunity and Affirmative Action (EOAA) Office

The mission of the EOAA Office is to uphold the University's policies to provide equal opportunity in its admissions, employment, educational programs, and activities without regard to race, color, religion, sex, national origin, age, disability, veteran status, or sexual orientation, and to take affirmative action in employment and advancement of covered veterans, individuals with disabilities, women, and minorities. The EOAA Office is dedicated to preventing illegal discrimination and to guiding institutional compliance with applicable federal and state laws, Arizona Board of Regents and University policies. Through educational programs, investigation and resolution of complaints, and oversight activities, the Office fosters an environment and culture that supports all members of the University community, and works to prevent claims and losses in this area.

G. Radiation Control Office (RCO)

The RCO, working under direction of the Vice President for Research, and the U of A Radiation Protection Committee, administers the U of A's license to use radioactive materials. Services provided by RCO include collection and management of radioactive waste, radiation safety training, exposure monitoring, equipment and lab surveys, laser

safety, and tracking use of radioactive materials by approved researchers. The RCO serves an important loss prevention purpose that relates to employee safety and health, environmental compliance, and property protection.

H. Campus Health Service (CHS)

The CHS is an Accredited healthcare organization, serving an important purpose that benefits health and safety for both students and U of A employees. Public health issues affecting the campus population are managed in collaboration with public health officials and other medical providers. The Occupational Health Unit within CHS provides vital services for treatment of on-the-job injuries involving U of A employees, provides medical consultation to employees about their health in the workplace, and collaborates with RM&S on medical surveillance programs. CHS programs serve to reduce worker's compensation losses by educating employees about how to stay healthy in the workplace, and by providing treatment of injuries that focuses not only on the immediate injury, but looks for workplace improvements to prevent future incidents.

I. Financial Services Office (FSO)

As the central accounting and finance unit for the U of A, one of the key programs of FSO is to maintain standardized systems and procedures for tracking and documenting financial transactions. These procedures contribute a positive loss prevention benefit by giving managers accurate and timely information about U of A assets and expenditures under their control. This system of checks and balances is essential for monitoring transactions and identifying potential theft or misuse

J. Internal Audit

Internal Audit conducts risk-based audits of internal controls, business practices, and compliance with laws and regulations in an effort to prevent, deter, and mitigate losses. When a known or suspected loss of U of A assets has occurred, the office of Internal Audit conducts an investigation to determine the magnitude of the loss, and the circumstances or system failures that allowed it to occur. These services benefit loss prevention by accurately characterizing and valuing losses, which is critical to accomplish full insurance recovery, and in identifying needed improvement to prevent similar future losses.

K. Sponsored Projects Services

The U of A's significant research program is funded by grants and contracts that total hundreds of millions of dollars annually. Sponsored Projects Services manages the university's internal processes for routing grant proposals, grant fund accounting, information reporting to granting agencies, and compliance with rules and procedures. Successful management of these tasks preserves and enhances the U of A's access to continued research funding, and prevents the loss of a major source of revenue and institutional prestige.

L. Procurement and Contracting Services (P&CS)

The U of A enters into countless business transactions in the form of purchases, contracts, leases, etc. that have great potential to expose the U of A to loss. This is particularly important from a risk management perspective because the statutory insurance program that provides liability coverage for the U of A specifically excludes contractual liability, or coverage for breach of contract. P&CS greatly reduces this loss exposure by ensuring that appropriate insurance and indemnity provisions are included in U of A contracts, and that problematic language exposing the U of A to loss is deleted prior to signature.

M. Center for Computing and Information Technology (CCIT)

The U of A is a significant user of technology in almost every aspect of the operation. This dependence on computing technology and the ability to generate, store and manipulate large amounts of data is a major area of potential loss exposure. CCIT operates a unit dedicated to Information Security and Privacy, which works to protect campus networks from unauthorized intrusion, hacking, and damage. This group also provides consultation to campus units on the best ways to protect their data and their networks from unauthorized access, giving them the tools and knowledge to prevent losses.

B.2. Safety, Health, and Loss Prevention Committees

A. Campus Emergency Response Team (CERT)

The CERT is a multi-disciplinary committee with specialized representation that provides oversight and planning guidance for the Campus Emergency Response Plan. Chaired by the VP for Campus Life, the activities of the CERT ensure that emergency planning efforts are coordinated to meet both institutional needs and those of individual colleges and departments. The CERT plays a central role in implementation of the Incident Command System during emergency events, and planning campus emergency exercises. The CERT is organized with a core team of key functional support members, and a broader group of members representing most of the operational areas of the U of A.

B. Campus Community Occupational Health Committee (CCOHC)

The CCOHC is a multi-disciplinary committee that includes representation from the Campus Health Service, Risk Management and Safety, Human Resources, and the University Attorney's Office. This committee serves to bring together campus expertise to address matters of campus public and occupation health, and to ensure appropriate coordination among campus units that work in these areas. Occupational health programs are particularly important to loss prevention, and often involve employment issues, legal questions, medical surveillance, healthcare guidance, and policy development.

C. Institutional Biosafety Committee (IBC) and U of A Biosafety Officer

Also under the management direction of the VP for Research, the IBC provides peer oversight of U of A research activity that involves biological materials. The Committee and the Biosafety Officer review research protocols and provide direction and approval concerning appropriate biosafety levels, containment, emergency procedures, etc. By ensuring that biological research is conducted in a safe manner, potential losses in the form of employee injury, liability, property damage, and interruption of research are prevented.

D. Institutional Animal Care and Use Committee - Animal Hazards Program

The Institutional Animal Care and Use Committee (IACUC) oversees the proper use of animals in teaching and research. A key component of this effort is the Animal Hazards Program, which works to assess risks for employees working with animals, and proactively identifying applicable precautions, work practices, protective equipment and training necessary to conduct these activities with a high level of safety. The Animal Hazards Program also ensures that appropriate employee medical surveillance is implemented based on the risk assessment process.

E. Institutional Chemical Safety Committee (ICSC)

This is a new loss prevention program, being established in 2004 as a joint effort of RM&S, Institutional Biosafety Officer, and the Research Support Office. The ICRC will function similarly to the IBC and the Radiation Protection Committee, by providing peer oversight of the use of hazardous chemicals in U of A labs. This will complete a three part lab safety strategy which addresses chemical, biological, and radiological safety.

F. Human Subjects Protection Program - Institutional Review Board

The Human Subjects Protection Program is charged with safeguarding the rights and welfare of human subjects involved in research and other activities. This program coordinates the activities of Human Subjects Committee (also known as the Institutional Review Board [IRB]). Any project involving human subjects which originates at the University of Arizona, or any affiliated hospital or university, is subject to review and approval by the Human Subjects Committee. The work of this Program minimizes risk to human subjects, reducing liability exposure that might arise from their participation, and ensures UA compliance with federal regulations governing human subjects research.

G. Radiation Protection Committee

The Radiation Protection Committee (RPC) provides governance and oversight for administration of the UA's License to use radioactive materials. Working closely with the Radiation Control Office, the RPC reviews and approves applications from researchers to work with radioactive materials. Consisting of faculty researchers familiar with radiation issues and the regulatory framework, this committee serves an important function to minimize loss potential and liability exposures that may arise in the form of environmental

contamination, regulatory compliance, and exposure or injury to employees, students, and the public.

H. Joint Risk Allocation Medical Malpractice Committee

The U of A Graduate Medical Education program includes employment of medical residents, who complete their professional training under the direction of medical faculty members who are also attending physicians for University Physicians Inc. (UPI). When situations occur that may result in a claim of medical malpractice, the Joint Risk Allocation Medical Malpractice Committee evaluates the situation, and coordinates joint legal defense and management of claims and litigation when feasible. The committee includes legal and claims staff from the U of A, UPI, University Medical Center (UMC), and State Risk Management.

I. Dean of Students Behavioral Assessment Team

The Dean of Students Office coordinates this multi-disciplinary team as part of the Student Code of Conduct review process. This team is called together on an as-needed basis to evaluate threatening statements and behaviors by students, when the situation suggests that they may be a risk to themselves or others. Core members include representatives from the Dean of Students, Counseling and Psychological Services, UAPD, Office of General Counsel, Risk Management & Safety, Life & Work Connections, and two faculty representatives. The goal of this team is to be proactively involved in the management of potential threats, and to ensure that information relevant to managing the threat is available to all parties.

J. Human Resources Workplace Violence Assessment Team

This team has a purpose that is very similar to the Dean of Students Behavioral Assessment Team, except that this group deals with threat and violence issues involving employees and the workplace, as opposed to students. The core members of this team are many of the same individuals that participate in the Dean of Students Team, which is important for those situations that involve both students and employees. The goal of both teams is to evaluate potential threats and violence situations proactively, sharing relevant information, and ensuring that a coordinated process is implemented for making decisions and effectively managing situations.

K. UA Ombuds Program and Committee

The Ombuds Program was established to provide employees and students with an option other than formal grievance procedures to resolve disputes. It was formed on the belief that by providing alternative modes of dispute resolution, other than lengthy internal grievance procedures or costly litigation, the quality of the University environment as experienced by faculty, academic professionals, classified staff, administrative staff, students, and members of the public would be enhanced. Individuals representing different employee categories, and campus departments are appointed annually by the President of the

University to serve as the Ombuds Committee. Members receive training in dispute resolution, and are available as a resource to all UA employees and students. Providing an effective internal mechanism for dispute resolution reduces liability exposure for claims and litigation by encouraging resolution before disagreements escalate to the next level.