

ARTICLE III

RISK INSURANCE

7300. MANAGEMENT AND CONTROL OF BOARD INSURANCE. The placement, management and control of all risk insurance authorized by the Board shall be a function of the Business Services Division.

Restored 09-24-80

7301. KINDS OF INSURANCE AUTHORIZED. All forms of insurance necessary for the protection of, including but not limited to, real property, personal property, negligent acts, employee dishonesty, boiler and machinery, vehicles, employee injury and assigned risk coverage shall be carried as needed and permitted by the Education, Government and Insurance Codes of California.

EC 72506, GC 990, IC 11870

Restored 09-24-80

7302. PLACING OF INSURANCE. The various needs for insurance, together with all relevant information, including statements of costs obtained from insurance companies, agents, or brokers, for the placing of such insurance, shall be reported to the Chancellor for authorization by the Board of Trustees. Upon authorization by the Board, the Business Services Division shall place such insurance.

7302.10 Placing of Insurance in an Emergency. In an emergency, the Business Services Division shall place insurance and the Chancellor, or designee, shall immediately report such placement for ratification by the Board.

Restored 09-24-80

7303. DISTRIBUTION OF INSURANCE. Insurance carried by the District shall be obtained through competitive negotiations and shall be awarded to those insurance companies, agents, and brokers who agree to furnish the coverage required at the lowest and best prices consistent with good service and risk management practices.

Restored 09-24-80

7304. INSURANCE RECORDS. The records of insurance policies shall be maintained by the Business Services Division.

7304.10 Records to Establish Insurable Values.
Records showing all pertinent data necessary to establish insurable values of District properties shall be maintained by the Business Services Division based upon the District's fixed asset inventory and annual independent property appraisals.

EC 81601

Restored 09-24-80

7305. INSURANCE PREMIUMS. Demands for payment of insurance premiums, based on orders duly issued, and approved by the Vice Chancellor of Business Services, or designee, shall be received by the Business Services Division, and paid in the same manner as other demands against the funds of the District.

Restored 09-24-80

7306. CANCELLATION OF INSURANCE POLICIES. Insurance policies shall be canceled with Board approval when deemed advisable, and the unearned premium forwarded to the Business Services Division for deposit.

Restored 09-24-80

7307. SETTLEMENT OF LOSSES. When any property covered by insurance is lost, damaged, or destroyed, a notice concerning the loss shall be sent immediately to all affected carriers or their representatives. The Vice Chancellor of Business Services, or designee, shall act as adjuster for the Board of Trustees in the settlement of losses and shall sign a Proof of Loss as authorized. The Vice Chancellor of Business Services shall recommend, as soon as practicable, a basis for settlement and, upon adoption by the Board, the agreed amounts shall be collected from the insurance companies concerned, and forwarded to the Business Services Division for deposit.

Restored 09-24-80

7308. INSURABLE REPLACEMENT VALUE. The insurable replacement value of a building or its contents may be defined as replacement cost of such building or contents, less the noninsurable items usually excluded.

Restored 09-24-80

7309. VALUATION OF A BUILDING AND PERSONAL PROPERTY. The term "building", as used in connection with insurance, shall be defined as including all actual construction within the building lines (these lines shall include all porches, arcades, platforms, or steps attached to the building) and all decorations, mechanical or other equipment pertaining to the service, upkeep, maintenance, or operation thereof, and also built-in or fixed equipment for buildings.

The valuation of a building and personal property contents, for insurance purposes, shall be computed by the Business Services Division based upon original costs and independent appraisal services of current market values.

Restored 09-24-80

7310. DEPRECIATION OF BUILDINGS. The valuation of buildings may be depreciated for insurance purposes through independent property appraisal services.

Restored 09-24-80

7311. DEPRECIATION OF CONTENTS. The valuation of contents (personal property) may be depreciated, for insurance purposes, on the basis of any average total depreciation of twenty-five percent (25%).

Restored 09-24-80

7312. INSURANCE-CONSTRUCTION UNDER CONTRACT. The provisions of the follow paragraphs shall be included in all material and labor contracts.

Restored 09-24-80

7312.10 Buildings. Fire insurance shall be carried on new buildings or other structures constructed under contract only upon the acceptance of the completion of the contract by the Board, except when any such building or portion thereof is occupied by the District, prior to acceptance of completion pursuant to provisions of the contract which relieve the contractor of the responsibility for injury or damage to such occupied building or portion thereof.

7312.11 Existing Buildings. During the performance of contracts for alterations, additions, repairs, reconstruction, rehabilitation, or other work in or on existing buildings, fire insurance shall be carried by the District.

Restored 09-24-80

7313. LIABILITY CLAIMS PROCEDURES. All claims against the District for damages or injuries shall be reported to the Board of Trustees and administered by either the Office of General Counsel, the Senior Associate Vice Chancellor for Human Resources or the Director of Business Services, or their designees, as directed by the Chancellor.

The Chancellor, Deputy Chancellor and/or the Director of Business Services or their designees shall be authorized to settle up to \$50,000, subject to ratification by the Board of Trustees.

For claims filed within the District's self-insurance retention amounts, professional insurance adjusting services and attorneys specializing in public liability claims shall be retained to review, investigate, adjust and litigate the claims in the interest of optimally protecting the District.

For claims filed against the District or a contractor pursuant to an owner-controlled insurance program, the Chancellor, Deputy Chancellor and/or the Executive Director of Facilities Planning and Development or their designees shall be authorized to settle up to \$50,000, subject to ratification by the Board of Trustees.

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