



# 2022 Annual Risk Management Report



**COVER PAGE:** Education is the most affected industry for malware (viruses, worms, trojan viruses, spyware, adware and ransomware) incidents. As a result of the recent rush to adopt e-learning, the field has been exposed to an increase in cyberattacks; cybercriminals are finding opportunities to defraud schools, steal sensitive information or deploy ransomware schemes to extort money<sup>1</sup>.

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<sup>1</sup> Microsoft Global Threat Activity Tracker: <https://www.microsoft.com/en-us/wdsi/threats>

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## 1. EXECUTIVE SUMMARY

This executive summary provides a high-level overview intended for the Board of Trustees and senior management and is designed to explain the significant changes in mitigating risk through insurance programs and safety measures from 2021 to 2022.

Insurance costs comprise the majority component of the Risk Management budget. Keenan & Associates is the District insurance administrator as of April 1, 2021 for the policies procured through Statewide Association of Community Colleges (SWACC), a Joint Powers Authority (JPA). Similar to 2021, insurance premiums continue the upward trend due to a “hard insurance market” (characterized by premium increases, decreased underwriting capacity and restricted coverage) for property, general liability, equipment breakdown, Crime, Auto, Drone and cyber coverage in the global insurance market.

### 1.1 Property Values.

The property appraisals are a requirement from SWACC as a new member and are necessary to properly state the total value of District real property for insurance purposes. SWACC’s third-party vendor, Assetworks, conducted comprehensive onsite visits in November/December of 2021 and provided a complete and thorough report of all real property, including previously unreported buildings/structures, sheds, and other roofed structures at De Anza College, District, Foothill College, and Sunnyvale Center, and provided a revised Statement of Values (SOV) upon which the replacement values will be based in the event of fire or damage. Due to the new property report and values, the property premium has increased 16% over last year.

### 1.2 General Liability.

The District purchases general liability coverage through SWACC/SAFER JPA and has a combined aggregate limit of \$50M, with a member retained limit (MRL/Deductible) of \$250,000. The SWACC policy includes medical professional, educator’s legal, directors and officers (including Foundation officers), uninsured motorist, and breach of contract liability protection. Due to major global events, the general liability premium increased by 20% over last year.

### 1.3 Cyber Insurance.

The cyber insurance market has become very challenging. Cyber threats and ransomware are prevalent in the online environment; hackers are becoming very sophisticated in how they breach secured environments, including those in the education sectors. Cyber criminals have become increasingly sophisticated, and social engineering is an increasingly prevalent technique in which an attacker attempts to trick a user into giving up credentials, financial information, or other types of access. Cyber is a relatively new market for the insurance industry; several insurers have pulled out of this line of coverage because of the increased frequency of claims and paid amounts. As a result, the limits and premium rates for cyber coverage available from the remaining insurers escalated in an effort to normalize the market. As a result, the premium has increased 57% over last year.

The District’s Educational Technology Department (ETS) is working very hard to comply with industry best practices to minimize risk of cyber threats to the District and lower premiums including: 1) providing employees with ongoing Cybersecurity Awareness Training to reduce the risk of cyber security breaches, 2) Implementation of Multi-Factor Authentication (MFA) being rolled out in phases and scheduled for completion in Fall 2022, and 3) Firewall protection / anti-virus software.

### 1.4 Excess Liability.

On March 15, 2021 the Board of Trustees passed a resolution to withdraw from Schools Excess Liability Fund (SELF) JPA as of July 1, 2022. The District opted to participate in SWACC’s Schools Association For Excess Risk (SAFER) program for excess liability coverage. The new lower 2022/23 SAFER rate of \$9.57 /FTES provides a **savings** of approximately 13%, compared to the SELF 2022/23 proposed rate of \$11.23 /FTES.

## 2. MISSION

The mission of the Risk Management Unit is to provide a safe environment conducive to work and learning, and to protect and preserve district property and assets. The responsibilities of the Risk Management Unit include purchasing and managing insurance, managing and negotiating contracts from the perspective of minimizing exposures and risks to the district, providing safety training for faculty and staff, and maintaining compliance with OSHA regulations.

## 3. INSURANCE POLICIES AND COVERAGE – SWACC OVERVIEW

Fifty-seven (57) of the seventy-three (73) community college districts in California participate in SWACC, a member owned and operated property and liability JPA. SWACC provides an insurance pool program and resources specifically addressing its community college members exposures by purchasing reinsurance for property, liability, equipment breakdown, crime and cyber coverages on behalf of its members. The program is self-funded and all decisions are made by the SWACC Board of Directors. Every member in the SWACC JPA has a vote on the Board of Directors. SWACC continues to have multi-year guarantees built into the program. Keenan, on behalf of SWACC, conducts a thorough marketing effort annually for **liability, property, equipment breakdown, cyber risk, and crime** coverage. The goal is to continue to improve or maintain the most comprehensive and broadest coverage, and continue to offer the membership the most competitive rates available.

## 4. SWACC INSURANCE COVERAGE

Below is an overview of the various SWACC insurance coverages for the period July 1, 2022 – June 30, 2023, as well as excess liability coverage and excess cyber coverage.

### 4.1 Property

The District property limit of coverage is up to \$500,250,000 and the member retained limit (MRL/deductible) for the District is \$50,000 as of July 1, 2022.

**4.1.1.** The 2021 contribution for the property insurance premium to SWACC was \$311,635 based on a total reported insured value of \$875,906,772 in 2020.

**4.1.2.** Property Appraisal. SWACC requires that new members have a property appraisal completed within the first year of membership, and every five years thereafter. SWACC contracts with a third-party vendor, Assetworks, to conduct the appraisals. Assetworks conducted on-site visits in November/December 2021 and reported a total property replacement value of \$982,868,920 District-wide in its 2022 report. The aggregate value of District property increased from the 2020 reported value by 12% and accounted for several buildings and structures that had not been previously captured (the last on-site appraisal was conducted in 2015). SWACC requires that all “roofed” structures (including sheds, restrooms, athletic buildings, solar arrays, labs, etc.) and be accounted for so that they are covered in the event of a loss. The 2022 contribution amount is \$361,542, a 16% increase in premium that now provides protection for District property valued at nearly \$983M.

**4.1.3. Property & Liability Safety Inspections.** In April 2022, Keenan & Associates conducted two-day site visits at De Anza College and Foothill College. The purpose of the inspections is to protect the District from potential hazards that could result in potential property and liability losses.

The Property & Safety Inspection report provided recommendations from Keenan Loss Control on ways to correct potential hazards and ranks the hazards based upon priority; SWACC requires all high priority items be corrected immediately. De Anza College and Foothill College had no required immediate or high priority corrective items however Keenan Loss Control does recommend that we consider a program to better maintain the drainage systems near/around trees and other areas.

## 4.2 General Liability

The District purchases general liability coverage through SWACC/SAFER JPA and has a combined aggregate limit of \$50M, with a member retained limit (MRL/Deductible) of \$250,000. The SWACC policy includes medical professional, educator's legal, directors and officers (including Foundation officers), uninsured motorist, and breach of contract liability protection. The District's combined member contribution premium amount for general and excess liability is \$577,823.

## 4.3 Excess Liability through SAFER (effective July 1, 2022)

Schools Association for Excess Risk (SAFER) is an excess Property and Liability JPA program for California Community Colleges and K-12's that provides per occurrence aggregate limits up to \$50M for general liability claims with no gaps in coverage. The District moved to the SAFER program on July 1, 2022; additionally, since the 2021/22 SELF policy for Sexual Assault and Molestation (SAM) incidents was on a "claims-made" basis (vs "occurrence" basis), the District purchased additional coverage (known as "Nose" coverage) at a one-time cost of \$10,059 to protect itself from any potential SAM incidents from July 1, 2021 – June 30, 2022 because the statute of limitations to file a claim for SAM is now extended to Age 40. Without this "Nose" coverage the District would have 100% liability exposure for any claim filed for incidents that occur during this period.

## 4.4 Excess Liability through SELF (Legacy)

**4.4.1.** SELF is a pooled risk sharing program for excess liability risks that is funded by its member participation and Foothill De Anza has been a member since its inception in 1986. By joining SELF and signing the JPA Agreement, current **and former** member districts agree to pay contributions set by the SELF Board in exchange for coverage. The agreement also allows the Board to return member contributions when collections exceed the costs paid out and it requires each member to contribute additional pro-rated amounts should claims against, or by, the members exceed the amount available for the payment of those claims.

**4.4.2.** In 2020, SELF established a Revived Liability Funding plan in anticipation of its exposure to sexual assault claims resulting from the passage of AB218 (Extended Childhood Sexual Abuse Statute of Limitations Act) on January 1, 2020 and imposed fees to participating member districts, including Foothill De Anza, to fund the claims. As of September 30, 2022, SELF received 119 claims from 1986-2008. And in the 2021/22 year, due to the effects of AB218 and the resulting number of claims filed to date, the SELF Board approved the claim triggers for sexual assault and molestation (SAM) from occurrence based to a claims-made basis.

**4.4.3.** On June 3, 2022 in light of the ongoing claim development and financial exposure, the SELF Board voted to declare a second assessment of fees to all participating member districts who were active in 1990/91, 1996/97, 1998/99, 1999/2000, 2000/01, 2003/04, 2004/05, and 2006/07. The assessment is due in early 2023; *initial estimates* indicate that the District contribution amount will be \$360,853. As AB218 related litigation matters are settled the actual costs will be incurred and adjusted. It is our hope that this second assessment to SELF member districts will be the last assessment, however it is not guaranteed and likely that further assessments will be imposed.

## 4.5 Cyber

The cyber market has become a very hard market globally. Cyberattacks, including ransom, continue to plague colleges both in frequency and severity. SWACC/SAFER was able to secure coverage for all members regardless of whether they met the safeguards required for coverage. The District currently has \$2M aggregate coverage for cyber liability and a \$500,000 ransomware sublimit, with a 25% co-insurance and a \$150,000 deductible.

**4.5.1. Cybersecurity Best Practices.** In 2021 there were 12 best practices in order to be in compliance with the insurance carrier requirements for cyber coverage. SWACC/SAFER was able to lower the best practices down from 12 to 6 best practices. The 6 best practices are: 1) Use of Multi-Factor authentication for all remote access, 2) Use of firewalls and anti-virus software with critical patches within 30 days of release, 3) Employee cybersecurity awareness training within 12 months, 4) Use of Credible Endpoint Detection Response (EDR), 5) Data backups stored off-line with separate credentials for access and maintained outside of Active Directory, and 6) Regular network vulnerability scans. The cyber carrier requires all 6 best practices to be met in order to provide \$4M cyber liability and \$1M in ransomware coverage with a 25% co-insurance and \$135K deductible.

**4.5.1.1.** Cybersecurity Awareness Training, has become a standard requirement of the cyber insurance market to require that employees be trained on cybersecurity to reduce the risk of a cyber security breaches. The failure to train employees, particularly with the high prevalence of social engineering attacks in the higher education sector, may result in higher deductibles and less coverage. The District provides employees with on-going cyber security awareness training.

**4.5.1.2.** Currently, the District meet only four of the six best practices and the District's Educational Technology Department (ETS) is diligently working to complete the remaining two best practices summarized below towards minimizing risk of cyber threats and to lower premiums:

- 1) Implementation of Multi-Factor Authentication (MFA). ETS is rolling out MFA to all employees and retirees in phases, scheduled for completion in Fall 2022. Currently, all administrators, classified professionals, and confidential staff have completed migration to MFA.
- 2) The District has multi-layered security, including network segmentation, secure data back-ups, advanced firewall protection, anti-virus software in place on District-owned devices and the network, and other industry-standard security measures in place.

Once the District meets all 6 best practices, Staff will request the policy be updated to reflect the higher limits. However, the Cyber Carrier will need to approve the request.

**4.5.2. Primary Coverage.** The Cyber policy offers protection and services against cyber-attacks, including incident response, and protection for first- and third-party claims. The District has a Cyber Liability limit of \$1M, with a \$250,000 sublimit for ransom/extortion, a 25% co-insurance, and a \$150,000 deductible. There is also an aggregate of \$12M coverage shared by all SWACC/SAFER members. The District's 2021 member contribution for this coverage was \$26,738, the 2022 member contribution is \$65,636.

**4.5.3. Excess Cyber and Technology.** This policy provides a secondary layer of coverage up to an additional \$1M dedicated exclusively to the District (for a total of \$2M coverage) for cyber related crimes, including a \$250,000 sublimit for ransom with 25% co-insurance and a \$150,000 deductible.

**4.5.4. Dedicated Excess Cyber and Technology.** This policy would afford the District an additional dedicated layer of coverage and protection for cyber exposures, although it may be cost-prohibitive. The District’s ETS Department is working to complete an application and Keenan & Associates can then market this coverage on behalf of the District at which time District would have the option of obtaining the coverage and additional protection based on cost/benefit analysis.

**4.6 Crime**

The Crime Insurance policy limit is \$5M for Fiduciary Liability, Employee Dishonesty/Faithful Performance coverage. This is in lieu of the fidelity bond as permitted by education code. The District’s member contribution for 2022 is \$4,720.

**4.7 Equipment Breakdown (EQB)**

The Equipment Breakdown policy protects against sudden and accidental events resulting in physical damage to equipment such as electrical systems, refrigeration & air conditioning, boilers and pressure vessels, computers, mechanical equipment, and renewable & alternative energy production up to a \$100M total insured value limit with a \$5,000 per occurrence deductible. Equipment such as boilers and pressure vessels are inspected by the insurer on a regular basis. The District’s 2022 member contribution for this protection is \$26,361.

**4.8 Insurance Program – Cost Comparison Table**

**4.8.1.** The aggregate premium amount for insurance coverage through SWACC, including Excess Liability and the SAM Nose Coverage policy, for the July 1, 2022 – June 30, 2023 period is \$1,049,141, *plus* \$20,722 in reserves and an estimated not-to-exceed \$25,000 for third party claims administration (TPA) provided by Keenan.

**4.8.2.** The table below provides an overview of the coverage costs, depicting an 11% overall increase under the SWACC program for July 1, 2022 - June 30, 2023 compared to similar types of coverage from July 1, 2021 - June 30, 2022 under the SWACC program and the SELF program for Excess Liability.

Coverage	2021 - 2022 SWACC	2022-2023 SWACC	\$ Difference	% Change
Property	\$ 311,635	\$ 361,542	\$ 49,907	16%
Liability	\$ 295,766	\$ 354,918	\$ 59,152	20%
Cyber*	\$ 26,738	\$ 68,636	\$ 41,898	157%
Excess Cyber	\$ 20,399	\$ -	\$ (20,399)	-100%
EQB	\$ 26,330	\$ 26,361	\$ 31	0%
Crime	\$ 4,560	\$ 4,720	\$ 160	4%
Excess Liability**	\$ 256,444	\$ 222,905	\$ (33,539)	-13%
SAM Nose Coverage***	\$ -	\$ 10,059	\$ 10,059	100%
<b>Subtotal - Insurance</b>	<b>\$ 941,872</b>	<b>\$ 1,049,141</b>	<b>\$ 107,269</b>	<b>11%</b>

\* \$5m 2020/21 limit/separate Excess, \$2m 2022/23 limit/combined Excess

\*\* Provided by SELF in 2021/22

\*\*\* One-time fee

The chart does not include Dedicated Excess Cyber, Student Athletic and Accident and Other Insurance programs that the District participates in.

## 5. STUDENT ATHLETIC AND ACCIDENT

**5.1** Our broker and risk consultant Mercer Health & Benefits (“Mercer”) has managed to bring measurable stability to the program’s premium cost. This is primarily due to improved claims performance through a multifaceted approach which includes 1) analytics to identify trends, patterns; 2) educating and working closely with the Athletic Training/Sports Medicine departments; and 3) collaborating with the insurance carrier to implement cost containment strategies targeting highly utilized medical providers (orthopedic, radiology, physical therapy).

**5.2** This program, underwritten by Mutual of Omaha, is comprised of **two** insurance policies as described below. Having a single carrier on both plans supports continuity of claims, eased claims administration with one carrier, leverage of buying power, and more competitive underwriting.

**5.2.1. Student Accident Medical (Base Plan)** - extends coverage to all enrolled students while participating in sponsored or supervised school activity on or off premises, and intercollegiate student athletes including student managers, student trainers, cheerleaders, dance team and mascots. In addition, the policy includes an enhancement that provides coverage to all students on a 24-hour basis for any accidents regardless of being at home, school or anywhere else (added 8/1/2020).

**5.2.2. Intercollegiate Sports Catastrophic Accident & Disability** – extends coverage to intercollegiate student athletes, student managers, student trainers, cheerleaders, dance team and mascots.

**5.3** Premium costs are developed based upon historical loss experience years with emphasis on the more recent four experience years. Mercer negotiates renewals annually using data driven arguments. Continued efforts of Athletic Training/Sports Medicine departments to improve the student’s personal health insurance contribution and use vigilant cost-containment strategies are critical in controlling premium costs.

### 5.4 Renewal History

**5.4.1.** Between 2013 – 2019, the District achieved a 29% savings in premiums, down from \$394,146 to \$281,670, as a result of negotiations between Mercer and the insurer.

**5.4.2.** 2020 was an unprecedented year due to COVID-19. Spring sports were cancelled early in their competition seasons. Many student athletes shifted strength and conditioning training from at-school to a home environment. Elective surgeries and treatments were postponed and we anticipated seeing 2019 claims maturing later than usual. Most of our losses are driven by fall/winter sports (e.g. football, soccer, basketball), totaling 83% since 2010. The overall outlook for 2020/21 college sports was still unknown.

- For the renewal period August 1, 2020 – August 1, 2021 Mercer was able to secure a significant plan design enhancement, expanding the coverage to apply on a 24-hour basis for any accidents regardless of being at home, school or anywhere. This feature brings more value to the program.
- Renewal negotiations resulted in a decrease of 12% or \$34,051 year-over-year netting a combined annual premium of \$247,619. Mercer obtained the insurer’s agreement to pay premiums in two installments, with the 2<sup>nd</sup> installment contingent on reviewing the state of FHDA athletics for 2020/21 and it successfully obtained a full waiver of the second installment due (an additional savings of \$71,382). The combined reduction in 2020 premium due vs. 2019 was 43% vs. prior year. The actual premium paid for FY 2020/21: \$160,952.
- Due to the COVID pandemic, 2019 and 2020 are lost years in regard to underwriting credibility and not a good prediction of future loss experience.

5.4.3. In 2021, sports resumed onsite and students returned to campus for some programs. The two policies 1) Student Accident Medical Base Plan, and 2) Intercollegiate Sports Catastrophic Accident & Disability remained in effect, including the enhanced 24-hour coverage that was secured by Mercer. The combined annual premium for 2021 was \$235,382.

5.4.4. In 2022, for the renewal period August 1, 2022 – August 1, 2023, the aggregate premium paid continued to trend downward and was \$204,170; there were no substantial changes in benefits or benefit levels. The Base policy premium received a 15.5% reduction and the Catastrophic policy premium received a 3.4% reduction compared to prior policy year. The combined annual premium for 2022 was \$204,170.

Policy	2021	2022	% CHANGE
Base	\$ 191,712.00	\$ 162,000.00	-15.50%
CAT	\$ 43,670.00	\$ 42,170.00	-3.40%
TOTAL	\$ 235,382.00	\$ 204,170.00	-9.45%



## 6. OTHER INSURANCE

### 6.1 International Students

6.1.2. Relation Insurance Services works on behalf of the District to place and administer insurance which provides comprehensive coverage, reliable network providers and reasonable premiums for the levels of coverage provided historically utilizing the Blue Cross and Blue Shield provider networks. The premium rate per student per month was stable in 2019 and 2020 at \$131.50 per student for medical coverage, including telehealth services. Additionally, International Students who study in their home country were given the ability to request a waiver of health coverage while classes remain remote because of the COVID pandemic under the guidelines of the California Department of Public Health.

**6.1.3.** In 2021, for the coverage period August 15, 2021 – August 14, 2022, the rate per student remained flat at \$131.50. However, this did require a change in provider from the Geo Blue network to Anthem Blue Cross to avoid increased rates to \$134.00 per student from the previous health plan.

- Anthem Blue Cross has the largest provider network nationwide.
- The Anthem Blue Cross policy provides for similar coverage to the previous year and includes basic dental.
- The policy is an Affordable Care Act policy with no annual maximum limit on claims. It complies with all federal and state mandates and is one of the best policies available in the market. Premium increases are capped at a maximum 8.4% if needed for academic year 2022-23.

The 2022 rate (August 15, 2022 – August 14, 2023) with Anthem Blue Cross increased 7.2%, up to \$141.00 per student. The rate increase is reflective of the high claims loss ratio as demonstrated below:

Academic Year	Plan	Rate
2020	Geo Blue	\$ 131.50
2021	Anthem Blue Cross	\$ 131.50
2022	Anthem Blue Cross	\$ 141.00

Policy Year	Loss Ratio
19/20	58%
20/21	79%
21/22	125%*

\* as of Jan. 31, 2022

Lastly, in late 2022 Relations finalized a transaction with **Risk Strategies**, a leading national brokerage and risk management firm, to acquire the Relations Education Solutions branch that provides student insurance, athletic student insurance, and international student insurance specialty markets. This new partnership will benefit its clients such as the District by providing more innovative technologies and tools to access the healthcare network and national support to negotiate and advocate for services on our behalf.

## 6.2 Fine Art/Museum

This is a separate policy which is coordinated by De Anza College and has been in place since 2014, it covers the permanent collection, as well as temporary loans for works on display at Euphrat Museum of Art. If a loss were to occur to the collection which the museum owns, the artwork would be valued at current market value. If the loss occurred to a loaned item, it would be valued at agreed value (which is an agreed upon amount prior to the loan by the two parties involved). The policy is administered through Huntington T. Block Insurance Agency, Inc.

**6.2.1.** The annual premium of \$850 remained static from 2014 – 2019 at which time the premium increased to \$1,125 for increased coverage limits for the value of the museum collection and temporary loans from \$250,000 to \$500,000 on the premises of the museum, in transit, and in the case of an earthquake.

**6.2.2.** In 2020, the premium remained stable at \$1,125 for the coverage period September 1, 2020 – September 1, 2021.

**6.2.3.** In 2021, the college requested that the coverage limit be raised to provide coverage that better represents the current value of the total collection, including five (5) pieces of work by artist Agnes Pelton; the premium to increase the loss limit from \$500,000 to \$1,250,000 is \$2,500.

### **6.3 De Anza Child Development Center**

This is a separate policy providing a Student Accident Protection Plan for the De Anza Child Development Center and is administered by Forrest T. Jones & Company.

**6.3.1.** The per student premium has remained flat for the 2019 – 2021 coverage periods at \$4.25 per student.

**6.3.2.** In 2022, the annual premium is \$310.25 for the coverage period March 16, 2022 – March 16, 2023 based on a total number of 73 students, teachers and supervisors at the \$4.25 per student rate (down from an average 126 students pre-COVID).

### **6.4 Special Coverages**

**6.4.1.** In addition to the major coverage groups procured, Risk Management also procures special insurance coverages on behalf of various District Departments including:

- Underground Storage Tank Liability      One gasoline tank at Foothill Facilities for fleet vehicles.
- Foreign Package policy                      This provides coverage for student/faculty trips outside of the United States and Canada and was renewed in 2022 through Keenan as student international travel resumed.

The coverage and premiums for these policies are carefully monitored. Rates for all these policies remain quite stable due to the absence of losses. There is little opportunity for rate reduction in the premiums that are relatively small.

## **7. CLAIMS**

All claims are coordinated by Risk Management, except for 1) Workers Compensation, 2) Labor & Employment claims (sexual harassment, discrimination and wrongful termination) which are coordinated by the Human Resources Department and 3) administrative student claims which are coordinated by appropriate college representatives.

### **7.1 Self- Insured**

- The District is self-insured against the loss of property for the first \$50,000 per occurrence (\$500M coverage).
- The District is self-insured against liability claims up to the first \$250,000 per occurrence; excess insurance provides up to \$5M per occurrence.

### **7.2 Third Party Claims Administrator**

Due to legal requirements associated with claims as well as the processing time involved, the District contracts with a third-party claims administrator to handle the claims.

- Alternate Service Concepts LLC dba The Davies Group is the District's legacy claims administrator for all claims through March 30, 2021.
- Any claims filed as of April 1, 2021 are covered under SWACC JPA and administered through Keenan and Associates.

### 7.3 Claims – Litigated

Due to sensitive information, litigated claims are not reported here but rather reported to the Board in closed session(s). When a Summons is served and received, Risk Management contacts the affected department or college representative to inform them of the claim, provides assistance and coordinates activities with them throughout the legal process and case defense, as may be required.

### 7.4 Claims – Non-Litigated

**7.4.1.** Non-litigated claims against the District typically occur, as an example, when someone trips or falls on District property or when a vehicle incurs damages caused by District property. Therefore, it is difficult to completely mitigate such events. However, Risk Management works closely with Facilities Department to expeditiously affect any necessary repairs or safety upgrades and diligently strives to pay only a fair settlement for valid claims against the District. Achieving these settlements is time-consuming but the resulting claim cost savings justify the time spent.

**7.4.2.** Claims against the District are very unpredictable and can be reported to the District by the injured party at any time. The claim can be accepted or denied, and if accepted it may take a lengthy amount of time for the claim to reach a settlement; thus, a claim settlement amount paid may not be in the same year that the claim was reported.

The charts below indicate the fluctuations year-to-year of (1) the number of non-litigated General Liability (excluding employer/employee matters) and Property claims received and (2) settlement costs paid on behalf of the District, which are typically under \$10,000. Claims incurred from 2020 – 2022 are lower because of the reduced amount of onsite activity during the Covid-19 pandemic.

Total Number of Non-litigated Claims Incurred by Year Received					
Claim Type	2018	2019	2020	2021	2022
General Liability Claims	6	0	3	0	0
Property Claims	0	4	0	0	1
<b>TOTAL</b>	<b>6</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>1</b>

Total Claim Settlement Amounts Paid on Behalf of District					
Claim Type	2018	2019	2020	2021	2022
General Liability Claims	\$4,922	\$0	\$6,752	\$0	\$0
Property Claims	\$0	\$12,354	\$0	\$0	\$100
<b>TOTAL</b>	<b>\$4,922</b>	<b>\$12,354</b>	<b>\$6,752</b>	<b>\$0</b>	<b>\$100</b>

### 7.5 Subrogation

Subrogation is the right of an insurer (including self-insured entity) to pursue a third party that caused a loss to the insured. Subrogation is done as a means of recovering the amount of damage or amount paid for the loss from responsible third parties and their insurance companies.

**7.5.1.** Subrogation claims can take a lengthy amount of time for the claim to reach a settlement; thus, the recovered amount may not be received in the same year that the claim was reported.

**7.5.2.** Risk Management reviews department contracts to provide guidance to departments on insurance and indemnification requirements.

7.5.3. Risk Management takes action to pursue those who cause **loss to the District** and ensures that responsible parties are held accountable. Recoveries are primarily from vehicle accidents causing damage to District property. Below is summary of the number of incidents by year in which the District incurred damages and their related District **recoveries**.

Year of Occurrence – Incident					
Claim Type	2018	2019	2020	2021	2022
Property Claims	4	0	1	2	1
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>0</b>

Total Amount of Costs Recovered by Year					
Claim Type	2018	2019	2020	2021	2022
Property Claims	\$0	\$0	\$7,865*	\$417,999**	\$0

\*For incidents that occurred in 2018 and 2020

\*\*For incidents that occurred in 2018 and 2021

## 8. CALIFORNIA - OCCUPATIONAL SAFETY & HEALTH ADMINISTRATION (CAL/OSHA)

8.1 The District OSHA Safety Committee meets every other month to discuss safety related matters. This committee is comprised of Risk Management; representatives of the campuses and district support services, including EH&S, ETS, Police, and Facilities, Maintenance, and Operations (FMO) managers knowledgeable about staff duties and appropriate training requirements; and its safety consultant Du-All Safety, LLC.

8.2 To achieve the goal of a safe and healthy work environment, the District (through its consultant) has developed **written Safety Programs** for the FMO Department which is responsible for coordinating the implementation of task specific safety procedures/programs:

- Silica Exposure Control Plan
- Respiratory Protection
- Personal Protective Equipment (PPE)
- Lockout/Tagout Program
- Hot Work Program
- Heat Illness Prevention Program
- Hearing Conservation
- Fall Protection
- Exposure Control Plan
- Confined Space Procedures
- Protection from Wildfire Smoke
- Electric Cart Safety

8.3 The safety consultant, Risk Management and the FMO Department coordinate regular OSHA training classes primarily in support of the FMO Department, Custodial and Grounds crews. The training is carefully monitored so that state and federal requirements are met. As OSHA publishes new regulations, existing training is updated or new training is developed to meet Cal-OSHA requirements. Courses are added or deleted from the training schedule as the committee deems appropriate and feasible, within the established budget. The training schedule matches OSHA requirements with job categories that require training in specific topics.

8.4 The various trainings are scheduled annually or as required by Cal/OSHA. Most training is trade-specific to assist District employees in performing their jobs safely and promotes safe and effective work practices. Some examples of trainings conducted in 2022 are listed below:

- IIPP & Hearing Conservation
- Heavy Equipment Operator
- Fall Protection (Fall & Ladder Use)
- Personal Protective Equipment
- Portable Ladder Safety
- Coronavirus Prevention
- Elevated Work Platform
- Silica Exposure Control Awareness
- Bloodborne Pathogen
- Heat Illness Prevention
- Electric Cart Policy

**8.5** The Facilities management at both campuses have demonstrated an ongoing commitment to safety and training. Instead of conducting separate campus trainings, the various trainings are consolidated into one training for employees of both campuses to attend, when feasible.

**8.6** Facility safety inspections of the trade shops are conducted once a year.

**8.6.1.** A Safety Inspection was last completed on December 14, 2021 of the various Facilities' shop areas (HVAC, Paint, Electrical, Mechanics, Construction, Carpenter, Plumbing, Auto, Grounds, Pool Mechanical) and the responsible campus Associate Director of Facilities addressed and/or ensured the deficiencies identified were corrected.

**8.6.2.** The next inspection is scheduled for December 15<sup>th</sup>.

**8.7** In 2021, **The Injury and Illness Prevention Program (IIPP)** for basic safety mandated by the Cal/OSHA was updated and broadened to be more inclusive of all staff. The District's IIPP is intended to provide guidance on complying with the safe work practices and principles identified in the California Code of Regulations, Title 8 and Section 3203, thereby minimizing employee exposure to safety and health risks at all District worksites. The IIPP was printed in hardcopy form and is available for viewing in the FMO offices at each campus. The IIPP is also available to all employees in an electronic format posted online at ***MyPortal/Employee Safety Resources***.

## **9. ERGONOMICS PROGRAM**

**9.1** Ergonomics maximizes job function and productivity of the employee while preventing occupational injuries, improving employee comfort, promoting return to work after an injury, and accommodating an employee with injuries or disabilities to perform work tasks.

**9.2** The District utilizes a Certified Ergonomics Assessment Consultant to conduct onsite workstation ergonomic evaluations to help educate employees on ergonomic principles and ways to improve their workstation setup. The consultant also offers remote assessments for employees who work from home. An ergonomic evaluation involves:

- observing employee perform typical tasks, and then adjusting the workstation as needed (e.g., in an office setting, raising a chair or lowering a keyboard). The goal is to arrange the workstation so that employee achieves a neutral, comfortable working posture;
- assessing equipment, tools, tasks, and work environments to identify and control physical risk factors that can lead to musculoskeletal disorders and computer vision syndrome; and,
- providing a report and recommendations for workstation improvements.

**9.3** Ergonomic issues are a real concern, especially while employees are working in a remote environment. To promote the District's Ergonomic Program in an effort to minimize ergonomic injuries and reduce worker's compensation claims, Risk Management developed an **Ergonomics Guide for Computer Workstations**. This guide gives employees tools and resources to proactively improve their in-office and at-home workstation environments and is available at ***MyPortal/Employee Safety Resources***.

## **10. VOLUNTEER OF RECORD**

**10.1** Risk Management is responsible for managing the approval of volunteers for the campus programs each fiscal year. This includes ensuring that a volunteer has a completed Livescan fingerprinting record on file and enrolling a volunteer in the Department of Motor Vehicles (DMV) Pull Notice program if they will be driving a vehicle (including electric carts) on behalf of the District.

## 11. DISTRICT VEHICLE POLICY

**11.1** Risk Management continues to review and improve upon other aspects of safety as it relates to District operations including the District's Vehicle Policy and Procedures which includes the DMV Pull Notice enrollment program and Electric Cart training.

## 12. WAIVERS AND RELEASE OF LIABILITY

**12.1 *Field Trips.*** As the campuses return to an in-person environment, many programs and opportunities are resuming. One such opportunity is for students to experience field trips for events to other colleges, conferences, competitions, and the like. Risk Management recently updated its Field Trip/Excursion Release of Liability and Assumption of Risk forms for officially college sponsored trips.

**12.2 *Other waiver forms and releases of liability.*** Risk Management reviews and updates waivers and releases of liability for a variety of programs on both campuses including facilities rental, community education, veterinary technology, and allied health to name a few.