
RISK MANAGEMENT POLICIES

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2601 Departmental Scope & Responsibility

Subject: Risk Management & Insurance
Title: Departmental Scope and Responsibility
No.: 2601
Effective: December 1986
Revised: May 2018
Last Reviewed: May 2018
Resp. Office: Risk Management & Insurance
Approval: VP Finance

Purpose

To define departmental scope and responsibility.

Policy

1. The Office of Risk Management & Insurance is responsible for the purchase of property and casualty insurance coverage to protect the University, Health System, and its subsidiary or controlled entities against risk of financial loss.
2. The Office of Risk Management & Insurance is solely authorized to negotiate related services with insurance brokers, carriers and claims service providers. Negotiations with attorneys are to be performed in consultation with the Office of the General Counsel.
3. The Office of Risk Management & Insurance is responsible for coordinating the risk management, data collection and claims accounting activities of the University and Health System in the areas of property, general and automobile liability, environmental liability, student athletic injury liability, workers' compensation, dental professional liability, veterinary professional liability, medical student professional liability, and executive protection liability which includes trustees and officers liability, fiduciary liability, and fidelity liability. The Office identifies and evaluates areas of potential exposure to risk and implements measures to reduce the risk of loss.
4. The Office of Risk Management & Insurance in consultation with the Office of the General Counsel is responsible for investigating, evaluating and managing claims or potential claims made in the areas of property, general and automobile liability, environmental liability, student athletic injury liability, workers' compensation, dental professional liability, veterinary professional liability, medical student professional liability, and executive protection liability.
5. The Office of Risk Management & Insurance is responsible for international travel risk management, including pre-departure training, risk assessment, travel insurance and 24/7 emergency response for Penn travelers abroad.
6. Operating units are to cooperate fully with the Office of Risk Management & Insurance and the Office of the General Counsel in the management of claims and related litigation to which the institution, its employees or agents may be a party.
7. The Office of Risk Management & Insurance is responsible for educating operating units regarding applicable insurance coverage and claims reporting guidelines.

8. The Office of Risk Management & Insurance maintains insurance coverage consistent with all applicable state and federal regulations.

2602 Incident Reporting

Subject: Risk Management & Insurance

Title: Incident Reporting

No.: 2602

Effective: December 1986

Revised: May 2018

Last Reviewed: May 2018

Resp. Office: Risk Management & Insurance

Approval: Risk Management & Insurance

Purpose

To identify potential risk to the institution in a timely manner.

Policy

1. All incidents which may give rise to a claim should be reported to the Office of Risk Management & Insurance.
2. Incidents involving loss or damage by criminal activity (theft, vandalism, etc.) are to be reported immediately by the affected department to the University of Pennsylvania Police.
3. Failure to report incidents in a timely manner may result in a claim denial.

2603 Formal Notification of Third Party Claim

Subject: Risk Management and Insurance
Title: Formal Notification of Third Party Claim
No.: 2603
Effective: December 1986
Revised: May 2018
Last Reviewed: May 2018
Resp. Office: Risk Management and Insurance
Approval: Risk Management and Insurance

Purpose

To notify the Office of Risk Management and Insurance of any actual or potential third party claim against the University and Health System.

Policy

1. Upon receipt of any claim correspondence, i.e. summons, complaint, contact by an attorney, investigator or other person regarding a claim for damages, the affected department must notify the Office of Risk Management and Insurance to assume all further handling of the claim.
2. In the event a summons or complaint is served on a department, refer the courier to the Office of General Counsel. No department other than the Office of General Counsel may accept service of a summons or complaint. Strict adherence to this policy is essential, as failure to respond in a timely manner may prejudice the rights of the institution.
3. Except as authorized, only representatives of the Office of Risk Management and Insurance or Office of General Counsel may discuss or transmit information related a claim or litigation.

2604 THIRD PARTY PERSONAL PROPERTY DAMAGE CLAIM

Subject: Risk Management and Insurance

Effective: December 1986

Revised: May 2018

Last Reviewed: May 2018

Resp. Office: Risk Management and Insurance

Approval: Risk Management and Insurance

Purpose

To provide a framework for third party personal property damage claim.

Policy

1. The University and Health System does not insure the personal property of its faculty/students/staff or a business invitee for items lost, damaged or stolen while on its premises.
2. If an individual feels the institution is responsible, they may report it to the Office of Risk Management for review. The Office of Risk Management will investigate and determine if the individual is to be compensated for the loss.
3. If the claim is accepted, the individual will be required to sign a release form in exchange for the reimbursement payment.

2605 CONFIDENTIALITY OF RECORDS INVOLVING PROFESSIONAL LIABILITY CLAIMS

Effective: December 1986

Revised: May 2006

Last Reviewed: April 2018

Resp. Office: Risk Management & Insurance

Approval: Risk Management & Insurance

PURPOSE

The Office of Risk Management & Insurance handles all professional liability claims not handled by the Office of General Counsel. The purpose of this policy is to maintain the confidentiality of patient information and to control the dissemination of records for such claims.

POLICY

1. Upon receipt of any professional liability claim to be handled by the Office of Risk Management & Insurance, all pertinent medical records are to be sequestered immediately by the medical records office of the affected department/school.
2. The sequestered records are not to be released to parties outside the University without the prior approval of the Office of Risk Management & Insurance in consultation with the Office of General Counsel.
3. Copies of all such records are to be transmitted to the Office of Risk Management & Insurance or the Office of the General Counsel upon request.

2606 Operating Unit Property Claim Settlements

Subject: Risk Management & Insurance
Title: Operating Unit Property Claim Settlements
No.: 2606
Effective: December 1986
Revised: May 2018
Last Reviewed: May 2018
Resp. Office: Risk Management & Insurance
Approval: Risk Management & Insurance

Purpose

To provide a framework for the handling of first party property claims.

Policy

1. The Office of Risk Management & Insurance is responsible for adjusting claims resulting from loss or damage to University and Health System owned or leased property. The Office is responsible for seeking reimbursement from third parties who may have caused the damage.
2. Incidents involving loss or damage to University and Health System owned or leased property are to be reported immediately. Failure to report a loss in a timely manner may result in claim denial.
3. Reimbursement for property loss or damage will be subject to various departmental deductibles. Generally, the affected department will be responsible for the first \$5,000.00 per occurrence.
4. Property claims are adjusted per the terms and conditions of the property insurance policy.
5. The affected department is responsible for mitigating property loss. This includes protecting property from further damage and seeking repair of property prior to claiming replacement costs.
6. The Office of Risk Management & Insurance recommends control measures to prevent property loss. The failure to adopt such measures may result in the denial of property claims.

2607 AUTOMOBILE CLAIM HANDLING REQUIREMENTS FOR OWNED, LEASED, OR RENTED VEHICLES

Subject: Risk Management and Insurance
Effective: July 1990
Revised: May 2018
Last Reviewed: May 2018
Resp. Office: Risk Management and Insurance
Approval: Risk Management and Insurance

PURPOSE

To provide a framework for the handling of loss or damage involving an owned, leased or rented vehicle on behalf of the University or Health System.

POLICY

1. The Office of Risk Management and Insurance will adjust claims for loss of, or damage to, University or Health System owned, leased or rented vehicles.
2. All insurance claims must be filed with the Office of Risk Management and Insurance immediately following the incident.
3. Reimbursement for loss or damage will be handled as follows:
 - A. Owned or leased vehicles:
 1. The affected department is responsible for obtaining two written detailed estimates of repair for submission to the Office of Risk Management. The Office of Risk Management may, at its discretion, make an independent evaluation of the damage.
 2. Reimbursement will be based upon the lower estimate of repair, subject to a departmental deductible of \$1,000.00 per occurrence.
 3. Any loss or damage sustained by a driver who has **not successfully completed** the Fundamentals of Driver Safety/Driver Safety Training for Van Drivers Course in Knowledge Link will be subject to a 100% deductible, i.e., the department will be responsible for the total repair cost.
 - B. Rented vehicles or Third Party claims:
 1. Students/faculty/staff renting a vehicle for business purposes should secure the rental in Concur with a Penn Preferred Partner. When securing a rental for domestic travel in Concur with a Penn Preferred Partner the Collision and Liability

coverage are automatically included in the rental rate. For more information refer to the Penn Travel FAQs – Car Rental section, <http://cms.business-services.upenn.edu/penntravel/about/faqs-and-helpful-information.html>

2. The loss should be reported to the rental agency and the Office of Risk Management immediately.
3. The Office of Risk Management will handle the loss or damage directly with the rental agency or third party.
4. Reimbursement will be subject to a departmental deductible of \$1,000 per occurrence.
5. Any loss or damage sustained by a driver who has not successfully completed the Fundamentals of Driver Safety/Driver Safety Training for Van Drivers in Knowledge Link will be subject to a 100% deductible, i.e., the department will be responsible for the total repair cost.

C. Use of Personal Vehicle:

1. It is the personal responsibility of the owner of the vehicle to carry adequate insurance coverage for their protection and the protection of any passengers ([Financial Policy 2358](#)).
2. The owner of the vehicle must carry the state mandated minimum limits.
3. In the event of a claim, the vehicle owner's policy will serve as primary insurance and the University will serve as excess insurance.
4. If an individual is operating a vehicle on University business they are required to **successfully complete** the Fundamentals of Driver Safety/Driver Safety Training for Van Drivers Course in Knowledge Link.

2607.1 REQUIREMENTS TO DRIVE A UNIVERSITY OWNED OR RENTED VEHICLE ON BEHALF OF THE UNIVERSITY

Subject: Risk Management & Insurance
Effective: July 2013
Revised: May 2018
Last Reviewed: May 2018
Resp. Office: Risk Management & Insurance
Approval: Risk Management & Insurance

PURPOSE

To define the driver requirements for operating any vehicle on behalf of the University or Health System.

POLICY

Individuals driving an owned, rented, or leased vehicle on behalf of the University or Health System are required to:

1. Maintain a valid and applicable Driver's License.
2. Comply with all local, state, and federal laws.
3. Observe the University's restriction of the rental of 15-passenger vans for any purpose. Only 12-passenger vans, 7-passenger mini-vans or sedans are permitted.
4. Successfully complete the Driver Safety Courses via Knowledge Link:
 - A. Car Drivers – *Fundamentals of Driver Safety*
 - B. Van Drivers – *Driver Safety for Van Drivers*

(Recertification of Driver Safety Courses is required every 3 years)

2608 OCCUPATIONAL INJURY OR ILLNESS

Subject: Risk Management & Insurance
Effective: December 1986
Revised: May 2011
Last Reviewed: April 2018
Responsible Office: Risk Management & Insurance
Approval: Risk Management & Insurance

PURPOSE

To provide partial income replacement when needed and to protect faculty and staff from medical costs which may arise from work-related injury or illness sustained in the course of employment with the University.

POLICY

The University insures faculty and staff against losses sustained as a result of work-related injury or illness in accordance with the provisions of the Workers' Compensation Act and Occupational Disease Act of the Commonwealth of Pennsylvania.

1. An individual who sustains an occupational injury or illness is to immediately report such injury or illness to his or her supervisor. The supervisor is to direct the employee to the designated treatment facility.
2. Once in the medical treatment facility, the injured employee will be instructed to report the claim to PMA, the University's third party claims administrator.
3. In all cases, an injured employee must be cleared by the treating physician before being permitted to return to work. A medical evaluation form will be presented to the employee before being released from the treatment facility. This form will indicate whether the employee:
 - a. may return to work,
 - b. may not return to work at the present time, or
 - c. may return to work with restrictions
4. Upon being released from the treatment facility, the employee must present this form to his/her supervisor and/or payroll manager.

- a. In the case of an employee being admitted for treatment, the employee must present the medical evaluation form to his/her supervisor and/or payroll manager as soon as reasonably possible.
 - b. In the case of an employee being permitted to return to work with restrictions, the department will make every effort to accommodate any physical limitations placed on the employee by the treating physician.
5. In the event of injury or illness that is likely to result in a loss of time, Workers' Compensation payments will begin only after the seventh calendar day of absence or waiting period.
 - a. During the waiting period, the employee's sick time may be used.
 - b. The use of Paid Time Off is permitted only in the event that the employee has insufficient sick time available to cover the waiting period.
 - c. Except for the appropriate use of sick and Paid Time Off detailed above, no other type of paid time may be used for this purpose.
6. The Departmental Payroll Administrator is responsible for placing the employee on Workers' Compensation Leave of Absence. This action should take place soon as the employee has been out of the workplace for seven (7) calendar days AND has been approved for Workers' Compensation benefits.

2608.1 OCCUPATIONAL INJURY OR ILLNESS: BENEFITS CONTINUATION

Subject: Risk Management & Insurance
Effective: December 1986
Revised: June 2005
Last Reviewed: April 2018
Responsible Office: Risk Management & Insurance
Approval: Risk Management & Insurance

PURPOSE

To provide continuity of benefits for Faculty and Staff when absent from the workplace due to a work-related injury or illness sustained in the course of employment with the University.

POLICY

- 1. While an employee is on Workers' Compensation leave, there is no accrual of sick leave or Paid Time Off.**
- 2. During the initial thirty days an employee is on Workers' Compensation leave:**
 - a. The employee's benefits are continued. Deductions that would normally be taken from the employee's paycheck instead accumulate in a suspense account.**
 - b. The employee must contact the Human Resource Benefits Department within this thirty-day period to make arrangements for continuation of benefits, and to pay the employee's share of the cost.**
 - i. This cost is typically equivalent to the share normally deducted from the employee's paycheck.**
 - ii. Any amount accumulated in the suspense account during the first thirty days must also be paid by the employee.**
- 3. After the first thirty days and up to the end of the first twelve months from the date the employee initially began his/her Workers' Compensation leave:**
 - a. The employee's benefits are continued, providing the employee has contacted the Benefits Department during the initial thirty-day period to arrange for continuation of benefits.**
 - b. Deductions that would normally be taken from the employee's paycheck are instead billed directly to the employee.**
 - c. The employee will continue to earn service credit for those benefits that are dependant upon length of service.**

- d. Individuals may continue making payments to their tax-deferred annuity plan on an after tax basis.
 - e. If the employee makes no arrangement to continue benefits or stops paying the employee's share, all benefits will be terminated immediately (In this event, COBRA benefits (as described in section 4) will not be offered).
- 4. After the end of the first twelve months from the date the employee initially began his/her Workers' Compensation leave:
 - a. Any benefits for which the employee has been paying are terminated.
 - b. The employee may continue medical and/or dental benefits under COBRA for a period up to eighteen months subject to COBRA provisions.
 - c. Life insurance benefits may be converted to an individual contract.
- 5. Employees who are out of the workplace due to a work-related injury or illness may be required to concurrently use benefits under the Family Medical Leave policy. Please see Penn Human Resources Policy No: 631, Family and Medical Leave, for further information.
- 6. This document provides a basic overview of benefits continuation as related to Workers' Compensation leaves of absence. All specific questions relating to benefits availability while on a Workers' Compensation leave of absence should be referred to the Benefits Department of the Division of Human Resources.
- 7. Unionized University staff are excluded from this section of the policy and should refer to the terms and conditions of the appropriate collective bargaining agreement.

2608.2 OCCUPATIONAL INJURY OR ILLNESS: RE-INSTATING AN EMPLOYEE RETURNING FROM WORKERS' COMPENSATION LEAVE

Subject: Risk Management & Insurance
Effective: December 1986
Revised: June 2005
Last Reviewed: April 2018
Responsible Office: Risk Management & Insurance
Approval: Risk Management & Insurance

PURPOSE

To provide for reinstatement of Faculty and Staff to active status when returning to the workplace following an absence due to a work-related injury or illness sustained in the course of employment with the University.

POLICY

1. Upon returning from a Workers' Compensation leave, the employee must present the appropriate medical evaluation form to his/her supervisor and/or payroll manager.
 - a. In the case of an employee being permitted to return to work with restrictions, the department will make every effort to accommodate any physical limitations placed on the employee by the treating physician.
 - b. All specific questions relating to whether an employee has fulfilled the requirements to return to work should be directed to the Office of Risk Management and Insurance.
2. If the employee's Workers' Compensation leave was for more than thirteen (13) calendar days, the employee is then eligible to have any sick leave and Paid Time Off used during the initial "waiting period" reinstated.
 - a. The Departmental Payroll Administrator is responsible for contacting the Human Resource Benefits Department to arrange for proper adjustment of the employee's paid time off accruals.
3. The Departmental Payroll Administrator is responsible for updating the employee's payroll record to properly indicate that he/she has returned to active status.
4. It is the employee's responsibility to contact the Human Resource Benefits Department upon return to work to insure that benefits for which the employee may be eligible are reinstated.

2608.3 OCCUPATIONAL INJURY OR ILLNESS: HIRING A REPLACEMENT FOR AN EMPLOYEE ON WORKERS' COMPENSATION LEAVE

Subject: Risk Management & Insurance
Effective: December 1986
Revised: June 2005
Last Reviewed: April 2018
Responsible Office: Risk Management & Insurance
Approval: Risk Management & Insurance

PURPOSE

To provide for the transfer and replacement of faculty and Staff on long-term leave from the workplace due to a work-related injury or illness sustained in the course of employment with the University.

POLICY

1. During the initial six months from the date the employee is on Workers' Compensation leave, the University will not grant approval to hire a replacement to fill the employee's job other than on a temporary basis.
2. Requests to hire a regular, on-going replacement for employees on Workers' Compensation must be in writing and submitted to the Human Resources Manager of Recruitment and Staffing for review and approval. Documentation must include:
 - a. A cover note from the department requesting the replacement hire.
 - b. A letter of authorization from the Office of Risk Management and Insurance.
 - c. An HR-1/2.
3. After receiving approval to fill the job on a regular basis, the Departmental Payroll Administrator is responsible for transferring the employee's record in the payroll system to the Workers' Compensation ORG.
 - a. In no case should the Departmental Payroll Administrator terminate the record of an employee who is on a Workers' Compensation leave.
 - b. Any specific questions relating to this portion of the policy should be directed to the Office of Risk Management and Insurance.
4. Unionized University staff are excluded from this section of the policy and should refer to the terms and conditions of the appropriate collective bargaining agreement.