

**UNIVERSITY OF HOUSTON SYSTEM  
ADMINISTRATIVE MEMORANDUM**

**SECTION: General Administration**

**NUMBER: 01.C.01**

**AREA: Risk Management**

**SUBJECT: Risk Management**

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1. PURPOSE

This administrative memorandum describes procedures to minimize the adverse effects of physical or financial events on the University of Houston System, including each of the universities within the System.

2. POLICY

2.1. The UH System has an important responsibility to preserve and safeguard the assets and financial resources of the institution. Each university within the UH System is responsible for risk management pertaining to its personnel, as well as the safekeeping of its property. In order to meet this objective, the UHS Office of Risk Management has established the following guidelines:

- 2.1.1. Existing and potential risk that may cause loss or injury to personnel, damage to university property or loss of revenue should be eliminated, modified, transferred or insured, if possible.
- 2.1.2. The chief financial officer and the Risk Management liaison(s) at each university shall evaluate insurance needs for that university and consult with the University of Houston System Director of Risk Management.
- 2.1.3. In compliance with best practices, the Director of Risk Management, or designee, shall provide guidance and trainings through meetings and consultations to the campus Risk Management liaison(s).
- 2.1.4. All risks of loss and needs for insurance are to be reviewed and evaluated by the Director of Risk Management or designee.
- 2.1.5. Insurance shall be purchased if:
  - Required by law;
  - The cost of insurance is judged to be preferable to leaving the risk uninsured;
  - Required by contractual agreement; or

- Special services such as legal defense, claims handling, adjusters, engineering or loss control services, offered as part of the insurance contract, are of sufficient benefit to the university to offset the cost.

However, insurance will not be purchased if state or federal law prohibits the purchase of insurance.

2.1.6. The Senior Vice Chancellor for Administration and Finance shall determine the probable amount of loss each university is able to economically assume, based on recommendations from the Director of Risk Management and the universities' financial officers.

2.1.7. Self-insuring risks should be considered if the amount of potential loss would not significantly affect the financial position of the System.

2.1.8. The Director of Risk Management, or designee, must be consulted before insurance provisions in contract templates are waived.

## 2.2. Coverage Under Texas State Law

2.2.1. [The Texas Tort Claims Act \(Chapter 101 of the Texas Civil Practice and Remedies Code\)](#) provides a limited waiver of sovereign immunity in certain situations related to operation or use of a motor-driven vehicle or motor-driven equipment and the condition or use of university property. Each university may elect to purchase insurance to cover such liability, but must pay for such insurance out of non-appropriated funds. [System Administrative Memorandum \(SAM\) 01.C.09](#) provides further information on tort liability.

2.2.2. Civil liability may arise out of the acts or omissions of university representatives, and liability is covered under [Texas Civil Practice and Remedies Code, Chapter 104](#), which provides for indemnification by the universities for their representatives, up to certain dollar amounts. Each university may elect to purchase insurance to cover this indemnity, as well as to cover liability in excess of the amounts indemnified under such statute; however, the university will not insure or indemnify its representatives who are found to have acted in bad faith.

2.2.3. The System is covered by the Texas Workers' Compensation insurance plan. [System Administrative Memorandum \(SAM\) 01.C.03](#) provides further information regarding Workers' Compensation.

## 3. RESPONSIBILITIES OF THE DIRECTOR OF RISK MANAGEMENT (OR DESIGNEE)

The Director of Risk Management (or designee) will be responsible for:

- 3.1. Administering and coordinating purchases of all System insurance programs;
- 3.2. Evaluating campus input and analyzing coverage options and costs;
- 3.3. Preparing coverage recommendations as requested for presentation to the Board or chief financial officers;
- 3.4. Developing and implementing risk management programs, in cooperation with each university's risk management liaison, as appropriate;
- 3.5. Filing timely Notices of Loss and Proofs of Loss with the appropriate insurers seeking recovery for insured losses, and otherwise involving insurers where necessary or appropriate;
- 3.6. Coordinating with the Office of General Counsel regarding negotiating adjustments and settlements of uninsured tort liability losses;
- 3.7. Notifying the Senior Vice Chancellor for Administration and Finance and the Office of General Counsel in matters involving losses which may significantly affect the financial position of the System, university or department and/or significant insurance claims (property claims with a dollar amount greater than \$250,000 or liability claims with a dollar amount greater than \$50,000); and
- 3.8. Notifying annually all UHS universities of the type of insurance(s) currently in effect and coverage(s) provided prior to renewals.

#### 4. PURCHASE OF INSURANCE

Certain criteria should be established and followed in the purchase of insurance:

- 4.1. At least every fifth calendar year, the Senior Vice Chancellor for Administration and Finance, based upon recommendations from the Director of Risk Management, retains the option to re-examine existing broker relationships by soliciting competitive bids.
- 4.2. Selection should be based primarily on the quality of protection and services provided. The ultimate cost is an important secondary concern.

#### 5. INSURANCE CLAIMS

- 5.1. It is imperative that Risk Management is made aware of any incident that occurs on campus that could be considered a claim as soon as practicable within 1-2 business days. This includes (but is not limited to):
- An employee who is injured;
  - If someone who is not an employee is injured on campus;
  - University vehicles or golf carts involved in an accident; or
  - Property damage to University-owned property.
- 5.2. Claims Reporting: Instructions on reporting claims can be found on the [Claims Reporting page](https://uh.edu/risk-management/claims-reporting/) of the Risk Management website at <https://uh.edu/risk-management/claims-reporting/>. The parties involved should complete a report of the incident and submit it to the appropriate Risk Management campus administrator. The list of Risk Management campus contacts can be found at: <https://uh.edu/risk-management/contact/>. The Risk Management campus administrator will then coordinate the claims management process taking into consideration any notification requirements in accordance with this policy. Detailed instructions are provided for the following types of claims:
- 5.2.1. Workers' Compensation – The employee must complete several forms immediately after sustaining a work-related injury. Additionally, the supervisor must fill out a Supervisor's First Report of Injury within 24 hours in order to meet state stipulated deadlines.
- 5.2.2. Automobile accidents - Drivers must contact [Risk Management](#) to provide all information needed to report the accident to our insurance carrier and to establish a claim for physical damage if applicable. The Auto [Accident Report form](#) should be completed by the University Driver.
- 5.2.3. Property Loss or Damage – Risk Management must be made aware of property damage as soon as practicable, through the Property Loss Notification form. Other than emergency mitigation to stop further damages to property or life safety issues, all expenses must be disclosed to and approved by Risk Management as soon as quotes are received. Not disclosing an expense prior to repair, replacement, or the department agreeing to the expense could result in a denial of coverage.
- 5.2.4. General Liability - Accidents or incidents which create a possible liability against the University must be reported promptly to your [Campus Risk Management Contact](#). The [Student/Visitor Incident Form](#) must be completed by the student or visitor, and the [Tort Liability Incident Report form](#) should be completed by the department if required by Risk Management.
- 5.2.5. All other claims – Contact Risk Management immediately of any incident that may be a potential claim. Any incident that may be covered by

insurance must be reported to the UHS Risk Management Department so that the incident may be evaluated and reported to the appropriate insurance carrier. Additional information regarding liability claim reporting is contained in the [SAM 01.C.09, Tort Liability](#) and information regarding property claims is contained in [SAM 01.C.11, Property Loss Claims](#).

- 5.3. The Risk Management liaison on each campus must timely notify the System Director of Risk Management (or designee) of all insurance-related claims.
- 5.4. The Office of General Counsel must be notified and consulted for guidance of all claims involving bodily injury, personal injury, and/or losses which may significantly affect the financial position of the System, university, or department.

6. REVIEW AND RESPONSIBILITIES

Responsible Party: Senior Associate Vice Chancellor for Finance

Review: Every five years

7. APPROVAL

Approved:                   /Raymond Bartlett/  
Senior Vice Chancellor for Administration and Finance

                  /Renu Khator/  
Chancellor

Date:                   February 15, 2025

8. REFERENCES AND RESOURCES

- [The Texas Tort Claims Act \(Chapter 101 of the Texas Civil Practice and Remedies Code\)](#)
- [Texas Civil Practice and Remedies Code, Chapter 104](#)
- [System Administrative Memorandum \(SAM\) 01.C.09, Tort Liability](#)
- [SAM 01.C.03, Reporting Work-Related Injuries and Illnesses](#)
- [SAM 01.C.11, Property Loss Claims](#)