

**Sam Houston State University**  
**A Member of The Texas State University System**

**Finance & Operations Human Resources Policy RM-1**  
**Risk Management**

**SUBJECT:** Risk Management

**PURPOSE:** To minimize the adverse effects of physical or financial events on Sam Houston State University.

**POLICY:** It is the policy of Sam Houston State University to practice sound risk management procedures to prevent and mitigate the university's exposures and losses. All personnel actions are reviewed to ensure Equal Employment Opportunity (EEO) compliance.

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**1. Statement of Facts Concerning Risk Exposures and Losses**

Sam Houston State University recognizes the following facts concerning the physical and financial resources of this university:

- a. During the normal course of conducting the business of this university, the physical and financial resources of the university are routinely exposed to various risks that can result in losses to the university.
- b. These physical and financial resources are valuable assets to this university and to the citizens of the State of Texas.
- c. Because of the special value of these assets, they deserve reasonable protection consistent with the availability of funds.
- d. Unless measures are taken to preserve/protect these resources, losses will occur.
- e. The provision of such protection requires a significant commitment of time, money, resources and staff to manage, preserve and protect these resources in the most cost effective manner.
- f. The discipline of "risk management" is a specialized process that is aimed specifically at minimizing and controlling the university's exposures and losses.

**2. Risk Management Goals**

- a. The long term goal is to minimize harm to the physical and financial resources of the university and to minimize the total cost of risk to the university.
- b. Provide for prompt, reasonable correction or payment, to the extent that the university is reasonably responsible, for any harm done to persons or properties by the university or its agents.

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- c. The institution will protect critical business processes and activities from the effects of major information system failures or environmental disruptions and ensure their timely resumption. A business impact analysis and continuity management process will be developed to minimize the impact on the organization and to assure an acceptable level of recoverability.

**3. Civil Liability**

- a. Civil liability may arise out of the condition or use of university property. Liability is covered under the Texas Tort Claims Act, and Texas Civil Practice and Remedies Code Chapter 100.
- b. 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 university for its representatives, up to certain dollar amounts. The 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, in a manner contrary to law or statute, or who has engaged in deceptive trade practices subject to the Business and Commerce Code Chapter 17 Deceptive Trade Practices.
- c. Sam Houston State University is covered by the Texas Workers' Compensation Plan administered by the State Office of Risk Management (SORM).
- d. Nothing here shall be construed as a waiver of the constitutional, statutory, or common law rights, privileges, immunities or defenses of Sam Houston State University or the Texas State University System.

**4. Risk Management Practices**

- a. Routinely identify all significant known perils and risks to which the university may be exposed.
- b. Avoid unnecessary or unreasonable exposures to the extent practicable.
- c. Take all reasonable and practical steps to prevent harmful events and losses.
- d. Initiate reasonable and appropriate loss control techniques to control the frequency and severity of unavoidable losses.
- e. Insure, where appropriate, individual or aggregate exposures where large potential losses exist.
- f. University employees are to advise the Sam Houston State University Risk Management Department of any known risks or losses. The Risk Management Department will notify the General Counsel of the Texas State University System of any liability claim or potential liability claim which may involve uninsured losses or potential uninsured losses in excess of \$5,000.00.  
The General Counsel's contact information is:  
Dr. Fernando Gomez, J.D., Ph.D.  
Thomas J. Rusk Building  
208 E. 10<sup>th</sup> Street, Suite 600  
Austin, TX 78701-2407  
(512) 463-1808

**5. Authority and Responsibility**

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The University President shall appoint a Risk Manager who shall serve under the direction of the University President. The Risk Manager is delegated the authority and responsibility to create and carryout the Risk Management Program. The Risk Manager shall be responsible for planning, organizing, coordinating, implementing, monitoring and controlling the University's Risk Management Program.

The Risk Manager's authority and responsibility will not normally cross over into the functional areas of the University. Since a comprehensive Risk Management Program touches all other functional areas of the University; managers, supervisors, and employees of all functional areas shall cooperate with the Risk Manager in the development and implementation of the Risk Management Program.

In the event the Risk Manager has reasonable cause to believe that any asset, component, property or activity conducted by any employee, agent, or independent contractor of Sam Houston State University, is likely to cause serious injury, harm, liability or death, the Risk Manager may take reasonable and necessary steps to suspend, curtail, diminish or mitigate said risk, provided they notify the President. The decision of the Risk Manager to suspend, curtail, diminish or mitigate such risk may be appealed to and subsequently overridden at the Cabinet level.

Reviewed by: David M. Hammonds, Associate VP for Human Resources & Risk Management-09/26/2013