

INSURANCE AND RISK MANAGEMENT POLICY

1. Policy Statement

Chico State Enterprises (CSE) manages risk to protect its people, property, financial assets, sponsored programs, and operational continuity. CSE manages risk through insurance, contractual risk transfer, and documented risk evaluation practices that align with California State University (CSU) systemwide risk management requirements and Chico State guidance.

2. Purpose

CSE requires appropriate insurance, risk evaluation, and contractual risk transfer for its activities and agreements to ensure that risk management measures are proportionate to the nature and scope of each activity and that institutional interests are adequately protected.

3. Scope

This policy applies to all CSE activities and agreements, including but not limited to services, vendors, consultants, events, facility use, leases, construction-related activities, hazardous materials work, information technology services, auxiliary operations, and student placement activities. This policy applies to CSE employees, volunteers, and others acting on behalf of CSE in the course of CSE business.

This policy and related procedures also apply, as appropriate, to activities and agreements administered by CSE on behalf of Chico State and other auxiliary organizations served by CSE, to the extent CSE is providing financial, contracting, and/or risk management services.

Application of this policy to activities conducted on behalf of other entities does not expand CSE's legal responsibilities beyond those established by contract, operating agreement, or applicable law.

4. Definitions

- **Certificate of Insurance:** Documentation issued by an insurer or authorized representative verifying insurance coverage.
- **California State University Risk Management Authority (CSURMA):** The insurance and risk pool authority for CSU and auxiliaries.
- **Risk Identification and Evaluation:** A documented analysis used to determine appropriate insurance coverage, limits, and contractual risk-transfer requirements based on the nature and scope of an activity.

- **Indemnification:** Contractual requirement allocating liability to protect CSE from external claims or losses.

5. Requirements

5.1 Compliance Framework

CSE shall apply and operate consistent with applicable CSU systemwide risk management requirements, AORMA program requirements, and applicable federal, state and local laws and regulations.

5.2 Risk-based approach

CSE applies a risk-based approach to insurance and contractual requirements. Insurance limits and risk-transfer provisions shall be commensurate with the nature, scope, and risk profile of the activity. Standard requirements apply unless a documented risk identification and evaluation supports an alternative approach. Any deviation from standard insurance requirements shall be supported by written documentation and appropriate approval consistent with delegated authority.

5.3 Insurance as a condition of contracting

Appropriate insurance coverage is a condition precedent to commencing work, accessing facilities, occupying space, or conducting activities under a CSE agreement. Insurance coverage may include, as applicable, Commercial General Liability, Automobile Liability, Workers' Compensation, Professional Liability, Property, Cyber and Data Security Liability, and other specialized coverages.

Insurance is one component of CSE's overall risk management framework and does not replace operational controls, compliance obligations, or best practices.

5.4 Certificates of Insurance and Endorsements

Certificates of Insurance and required endorsements must be received, reviewed, and approved prior to the commencement of work, unless an exception is documented and approved, and maintained in accordance with CSE records retention requirements.

5.5 Contractual risk transfer

Indemnification and hold-harmless provisions are core risk management tools and shall be included in agreements based on the applicable contract category and risk profile.

Modifications to standard provisions require appropriate review and approval.

5.6 Protection of CSU and CSE interests

Where required by agreement or risk profile, insurance coverage shall protect the interests of the State of California, the Trustees of the California State University, Chico State, and Chico State Enterprises.

Such protection may include, but is not limited to, additional insured status, primary and noncontributory language, and loss payee provisions.

5.7 Insurer quality and financial responsibility

Insurance must be placed with financially sound insurers meeting established acceptability standards, unless an exception is approved.

Self-insurance or alternative risk financing arrangements may be accepted only when they provide protection reasonably equivalent to required coverage.

Deductibles or self-insured retentions may be subject to review and approval.

5.8 Specialized risks

Activities involving elevated risks—such as construction, professional services, hazardous materials, pollution exposure, large public events, long-term leases, protected or sensitive data, or media and broadcasting operations—require specialized insurance and contractual provisions appropriate to those exposures.

5.9 Auxiliary operations and CSU coordination

As a CSU auxiliary organization, CSE will coordinate insurance and risk management requirements with Chico State when activities intersect CSU operations, facilities, programs, or systemwide risk programs administered through CSURMA.

6. Responsibility

- **CSE Board of Directors:** Approves enterprise-wide risk management policies and provides oversight of major risk exposures.
- **CSE Executive Director:** Ensures implementation of risk management practices consistent with CSU systemwide requirements and Chico State guidance.
- **Risk Manager (Policy Owner):** Maintains CSE's insurance portfolio; implements CSU/CSURMA-aligned insurance requirements; conducts or oversees risk assessments; manages approved exceptions; coordinates claims reporting; and maintains official insurance and claims documentation.

7. Authority

This policy is issued under the authority of the Chico State Enterprises Board of Directors, in accordance with the CSE Bylaws and the Operating Agreement with the Trustees of the California State University, and is guided by the following:

- Applicable provisions of California law governing nonprofit public benefit corporations
- California Education Code provisions
- Title 5 of the California Code of Regulations
- CSU systemwide risk management requirements
- CSURMA program requirements, as applicable

8. References and Related Information

- CSURMA Insurance Manual
- Sponsor and research compliance requirements
- CSE Contracting and Procurement Policies
- Uniform Guidance

9. Attachments

None

Owner: Susan Podesta / Director of Sponsored Contracts and Risk Manager

Department: Risk Management

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