2020 Risk Services Report
FISCAL YEAR 2018–19
Our mission is simple: To protect UC’s people, places and assets, enabling UC to fulfill its mission to serve society as a center of higher learning, providing long-term societal benefits through transmitting advanced knowledge, discovering new knowledge, and functioning as an active working repository of organized knowledge.

The UC Office of the President, Risk Services (OPRS) is responsible for developing and implementing Enterprise Risk Management systemwide, identifying and developing strategies to minimize the impact of risk, developing a center of excellence for managing risk, reducing costs and improving safety by executing new ideas and strategic plans. By strategically managing risk to faculty, staff, students and patients, teams can reduce the chances of loss, create greater financial stability and protect resources in support of UC’s mission.

The information published in this 2020 biennial report is reflective of FY 2018–19.
# Risk Services at a Glance

## Table of Contents

1. **Behavioral Intervention**
   - Coordinates a systemwide workgroup known as the Behavioral Intervention Team (BIT) Leadership Council
   - Demonstrates best practices and models leadership
   - Strategy and mitigation planning

2. **Environment, Health & Safety**
   - Provides comprehensive environmental protection
   - Occupational health and industrial safety expertise
   - Strategic guidance, systemwide oversight, training and consultation

3. **Centers of Excellence Program**
   - Identifies individuals or teams at UC campuses and medical centers that provide leadership in their specific subject matter area
   - Focuses efforts on preventing injury, incidents and damage
   - Leverages existing expertise within UC

4. **Employment Practices Liability**
   - Professionals in risk, human resources, legal, compliance and audit
   - Employment practices claims
   - Improved working experience

5. **Workers’ Compensation**
   - Loss prevention and mitigation
   - Systemwide multifaceted program that provides benefits to employees
   - Eliminated self-insured banking program

6. **Professional Liability**
   - Management of medical and dental malpractice claims and lawsuits
   - Legal representation of health care employees for licensing board investigations
   - Loss Prevention Grant Program

7. **General Liability and Property**
   - Auto liability and physical damage coverage
   - Loss and damage to university property
   - Preventing and minimizing cyber risk

8. **UC Travel Insurance**
   - UC Traveler Insurance
   - UC Personal Travel Program
   - Traveler protection to high-risk areas

9. **UC Student Health Insurance Program**
   - Provides an efficient framework to finance its organizational risks
   - Extensive nationwide network of providers
   - Self-funded medical plan

10. **Captive Insurance Program**
    - Non-profit, licensed and regulated captive insurance company
    - Supports insurance programs that benefit entire university system
    - Ensures university's ability to adapt to future uncertain risks

11. **Systemwide Crisis and Emergency Management**
    - Major systemwide and UCPD emergency response and recovery efforts
    - Disaster communication systems
    - Protect UC facilities, faculty, staff and community members

12. **Enterprise Risk Management**
    - Takes a coordinated approach to identify potential risks
    - Gets the right information to the right people at the right time
    - Creates a risk-aware culture

13. **Risk Resilience**
    - Supported the implementation of the UC Ready platform
    - Restructured UC Ready administrator training
    - Developed a fully compliant enterprise continuity plan model

14. **Risk Technology**
    - Risk Services Data Management System (RDMS)
    - Understand potential risk issues
    - Foster informed decision making and collaboration within the UC system
Behavioral Intervention

KEEPING UC A SAFE PLACE TO WORK AND LEARN

UC is committed to providing a positive and safe environment where our faculty, staff and students are free to work, learn and teach without fear of harm. OPRS coordinates a systemwide workgroup known as the Behavioral Intervention Team (BIT) Leadership Council, made up of systemwide representatives from all locations (campuses, medical centers, the Division of Agriculture and Natural Resources). In partnership with OPRS experts and external threat assessment consultants, the council uses structured violence risk assessment tools at different stages of the assessment process depending on nature, severity and level of concern. Additionally, the council holds an annual retreat with the chairs of other campus BIT teams, at which they share best practices.

KEY ACCOMPLISHMENTS

Modeling leadership. Established and implemented the BIT Leadership Council, which has been cited as a best practice in higher education.

Peer review process. Envisioned, developed and conducted first-ever peer reviews of campus-based BITs, leading not only to campus-based BIT process improvements, but also to the opportunity to share our peer review process nationally, which is now being modeled across higher education campuses nationwide.

Plan and react. Assisted in the development of strategy and mitigation planning for sensitive campus threat cases at the university, including UC Santa Cruz, UC Merced and UC Irvine.

Strategic security partnerships. A partnership with the U.S. Secret Service and Los Angeles Police Department led to these agencies delivering threat assessment training to the UC Police Department.

Implement best practices. Developed collaborative relationships with the Los Angeles Police Department, Local Agency Security Officer and Montana State University. This led to representatives from each of those organizations providing presentations at our systemwide BIT Leadership Council annual retreat, which also has been cited as a best practice in higher education.
Whether at a UC campus, health facility or national laboratory, you’ll find an Office of Environment, Health & Safety (EHS) dedicated to furthering the University of California’s research and educational mission by providing comprehensive environmental protection, occupational health and industrial safety expertise to our faculty, staff, students, patients and communities.

The EHS provides leadership, strategic guidance, systemwide oversight, training and consultation, resource coordination, and a framework to local EHS offices for analyzing and controlling workplace hazards and facilitating loss prevention programs.

Together, OPRS and local EHS offices advance the University of California’s goals to prevent workplace injuries and illnesses, environmental incidents and property losses or damage.

ucop.edu/safety-and-loss-prevention/environmental

**KEY ACCOMPLISHMENTS**

**WORKPLACE VIOLENCE PREVENTION**

Created written Workplace Violence Prevention Plan, reviews this plan on an annual basis and provides training sessions across the system. Conducts employee surveys at four locations, engages with California Nurses Association, and provides customized reports and checklists and procedures to UC campuses.

**HERBICIDE TASK FORCE**

Completed a report to the president that outlined a series of recommendations regarding the suspension of glyphosate-containing pesticides and the establishment of an integrated pest management program for the university.

**HIGH-CONTAINMENT LABORATORY OVERSIGHT COMMITTEE**

Delivered an annual report to the president that provided an update on UC Biosafety Level 3 (BSL-3) laboratories and clinical diagnostic facilities. This effort proved to be invaluable during the COVID-19 pandemic, as these high-containment facilities allowed the university to quickly engage with SARS-CoV-2 virus research.

**UC SLIP-RESISTANT FOOTWEAR PROGRAM**

Designed to reduce the frequency and severity of slip-and-fall incidents by providing high-quality, slip-resistant footwear to 20,000 employees routinely exposed to significant slip-and-fall hazards (e.g., dining/nutrition services, custodial/environmental services, patient care, and animal care employees).

**BE SMART ABOUT SAFETY PROGRAM**

Funds proactive loss prevention and mitigation projects at all UC campuses and medical centers to reduce the frequency and severity of potential loss in the areas of workers’ compensation, general liability, employment liability, auto and property.

**BE SMART ABOUT SAFETY PROGRAM FY 2018–19 APPLICATIONS**

<table>
<thead>
<tr>
<th>PROGRAM</th>
<th>APPLICATIONS</th>
<th>FUNDED TO LOCATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td>20</td>
<td>$361,131</td>
</tr>
<tr>
<td>EPL</td>
<td>27</td>
<td>$2,214,758</td>
</tr>
<tr>
<td>GL</td>
<td>63</td>
<td>$1,090,506</td>
</tr>
<tr>
<td>Prop</td>
<td>62</td>
<td>$1,934,747</td>
</tr>
<tr>
<td>WC</td>
<td>155</td>
<td>$20,936,879</td>
</tr>
<tr>
<td>Total</td>
<td>277*</td>
<td>$26,538,021</td>
</tr>
</tbody>
</table>

* Application totals cover multiple programs.
Centers of Excellence Program

PREVENTING INJURY, INCIDENTS AND DAMAGE

The Centers of Excellence (CoE) program is designed to leverage existing University of California expertise in EHS, risk management, health care and wellness. The program identifies individuals and teams at UC campuses and medical centers that can serve in a systemwide capacity by providing leadership in their specific subject matter area. Through centralized support and direction, the CoE program provides an efficient use of in-house expertise to manage and mitigate a wide range of dynamic challenges.

BIOSAFETY LEVEL 3 TRAINING PROGRAM:
Develops and delivers high-containment laboratory safety training for laboratory staff, biosafety professionals, first responders, and operations and maintenance personnel.
- Trained over 210 individuals
- Completed microbiology diagnostic lab site visits at all UC Health systems

CENTER FOR LABORATORY SAFETY:
Sponsors and supports research on laboratory safety practices to identify, develop and apply best practices.
- 2,700 views on CLS website (June 2019)
- 80% from the U.S.
- 60% to “Lessons Learned” page

FIELD RESEARCH SAFETY:
Facilitates the sharing of lessons learned and best practices in field work, while promoting risk management through the development of safety planning tools and resources.
- 335 staff and researchers trained in Wilderness Aid Fund
- 120+ staff and researchers trained as lay rescuers

RISK & SAFETY TRAINING:
Develops, distributes and analyzes systemwide training on EHS topics and risk-related initiatives. Produces a variety of training, including online, instructor-led, video and webinars.
- 122 EHS Professional Education program certifications awarded
- 350,000 training completions, up 10% from last year
- 82 continuing education units that were requested by participants

RADIATION SAFETY:
Provides expert guidance on radiation safety concerns within the UC system, supports development of the UC Radiation software application, and manages the UC Cesium Irradiator Replacement Program (CIRP).
- 40 cesium and cobalt removals
- 25 replacement X-ray purchases

SAFETY IN THE PERFORMING ARTS:
Consults with academic theater departments and performance venues, and provides training, reference materials and on-site support to integrate safety practices into theater operations, student projects production and performance activities.
- 100+ followers on Facebook
- 180 subscribers of the Performing Arts Safety LISTSERV

USP 800:
Provides support and guidance for compliance with U.S. Pharmacopeia hazardous drug guidelines, known as USP 800, at all six UC health systems and the Davis Veterinary Medical Teaching Hospital.
- Collaborated with the Risk & Safety Training CoE to create a hazardous drugs awareness online class
- Developed recommendations for evaluation of options for wipe sampling for hazardous drug residues

WORKSTRONG:
A program designed to prevent and promote recovery from occupational injuries, and encourage improved worker health, fitness and overall well-being. At any given time, 300 UC employees participate in this program.

READINESS:
Provides support and guidance to three functional areas across the system: mission continuity; emergency action planning; and information technology disaster recovery. These three functional areas are aligned under a shared technology platform, Fusion Risk Management (UC Ready), which supports and guides planning efforts and programmatic improvements in each area.

UNMANNED AIRCRAFT SYSTEM SAFETY (UAS):
Provides guidance and training to support the safe operation of unmanned aircraft systems (drones). Created the presidential policy for use of drones within the UC system and curates the UC Drones software application to manage flight requests and flight data reporting.
- 1,268 UAS missions
- <24 hours average approval time
- 19 safety incidents

SAFE PATIENT HANDLING AND MOBILITY:
Assists UC Health systems with ensuring compliance with required Safe Patient Handling programs and recommended Early Mobility programs. Also supports the development and implementation of best practices with respect to equipment use, training, assessments, and record keeping for both programs.

ucop.edu/enterprise-risk-and-resilience/resilience/coe
Employment Practices Liability

FOSTERING A POSITIVE WORK AND GROWTH ENVIRONMENT

Each faculty and staff member plays an important role in the university. We are one of the largest employers in California, with more than 200,000 people in jobs spanning the spectrum of occupations. The Employment Practices Improvement Committee (EPIC) is a systemwide committee made up of professionals in risk, human resources, legal, and compliance and audit, whose mission is to reduce the number of employment practices claims and improve the working experience for university faculty and staff.

KEY ACCOMPLISHMENTS

Created training video to help prevent disability discrimination. The severity and frequency of disability discrimination claims is increasing nationally. In FY 2018–19, disability discrimination remained the top cause of UC’s Employment Practices Liability (EPL) claims, representing 34% of newly reported claims. To reverse this trend, the EPL team collaborated with Risk & Safety Solutions to create a new interactive training video aimed at arming supervisors and managers with key information about reasonable accommodation and the interactive process. The Process and Reasonable Accommodation training video is available through the UC Learning Center at all 10 campuses and five medical centers.

Launched Investigator Academy. In partnership with the Office of Ethics, Compliance and Audit Services, created the Investigator Academy, which will provide approximately 40 hours of classroom and hands-on training about UC-specific topics, including the investigative process, types of complaints and investigations, policies, interviewing, report writing to include credibility determinations, and legal issues related to investigations.

Recruited trial attorneys. Conducted an intensive and successful recruitment for an EPL defense panel in Southern California, resulting in the retainment of 15 defense firms with extensive trial experience.

Continued systemwide training. Launched in 2016, EPIC continues to offer quarterly webinar training programs for university managers, supervisors and employees. Participation in these webinars has increased by 200% since inception, with an average of 240 systemwide participants in FY 2018–19.

UC EPIC WEBINARS

INTERACTIVE PROCESS AND REASONABLE ACCOMMODATION – TRAINING VIDEO

The Employment Practices Improvement Committee debuted its updated and newly produced training video on reasonable accommodation and the interactive process. This training video assists managers and supervisors in understanding the interactive process and what to do when an employee has a disability or medical condition that needs accommodation.

FAMILY AND MEDICAL LEAVE ESSENTIALS

An informative and educational webinar led by Stephanie Leider and Trina Mastro, senior counsel in the University of California’s Office of General Counsel. This webinar addressed questions about family and medical leave (FML) administration at the university and covered key FML concepts such as:

- How to determine whether employees are eligible for FML
- The reasons for which employees may take FML
- How much time employees may take as FML and the forms in which it may be taken
- Benefits continuation and how employees may be paid during FML
- Reinstatement rights following FML

1300 – THE #METOO BILL

Led by Delia Iovrouanu, partner at Duane Morris LLP, this presentation provided an overview of Senate Bill 1300 and its impact on ongoing litigation.
Workers’ Compensation

FINANCIAL PROTECTION FOR WORKPLACE INJURIES

The University of California’s workers’ compensation (WC) program provides statutorily defined benefits to California employees who are injured while in the course and scope of their university employment. Covering more than 200,000 employees and their worldwide activities, the WC program represents one of UC’s greatest areas of liability. To effectively manage this liability, the program focuses its efforts on loss prevention and mitigation.

KEY ACCOMPLISHMENTS

Decreased overall combined workers’ compensation system rate 7.1%, to $1.18 per $100 of payroll (from $1.27 in FY 2017–18).

Transitional legacy banking structure to our captive insurance program.

Significantly lowered workers’ compensation rates at medical centers. 27% lower than Workers’ Compensation Insurance Rating Bureau (WCIRB) and 57% lower than WCIRB of California (see charts below and on page 13).

BY THE NUMBERS

** Workers’ Compensation New Indemnity Claims **

<table>
<thead>
<tr>
<th>FY</th>
<th>Reported Claims</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1,264</td>
</tr>
<tr>
<td>2016</td>
<td>1,402</td>
</tr>
<tr>
<td>2017</td>
<td>1,315</td>
</tr>
<tr>
<td>2018</td>
<td>1,182</td>
</tr>
<tr>
<td>2019</td>
<td>1,087</td>
</tr>
</tbody>
</table>

* LAE is the loss adjustment expense or the expense associated with investigating and settling a claim.
** Recommended by California Workers’ Compensation Insurance Rating Bureau Adjusted to UC mix
The Professional Medical and Hospital Liability (PL) program within the Office of Risk Services is responsible for loss prevention, management of medical and dental malpractice claims, and lawsuits that occur at university health care facilities. This includes student health, counseling and psychological service centers, veterinary services, and lawsuits that involve university health care practitioners, including university physicians, dentists, residents, fellows, nurses and other health care employees, for acts and omissions allegedly arising out of the course and scope of university employment.

Under certain circumstances, the PL program also provides for the legal representation of health care employees for licensing board investigations.

The Human Subject Injury Program provides oversight and funding of claims involving medical care and treatment for certain injuries sustained by research subjects.

KEY ACCOMPLISHMENTS

Implemented CANDOR (Communication and Optimal Resolution) pilot program at UC San Diego. When unexpected events cause patient harm, CANDOR combines tested interventions and best practices to respond in a timely, thorough and just way, leading to timely resolution and appropriate systems improvements.

Implemented RL Solutions health care incident management software at student health centers, leading to improved patient safety and satisfaction by enabling UC medical centers to better report incidents and capture patient complaints.

Risk mitigation and loss prevention efforts. The statewide Risk Mitigation Collaborative was developed in 2015. It consists of the five medical center risk managers, the UCOP Professional Medical and Hospital Liability (PL) team, the Sedgwick (third party administrator) claims director and team leads. The Office of General Counsel serves as a monitor for the PL program.

The Collaborative provides the medical centers a platform to share lessons learned and best practices. The group meets in person three times a year.

Outcomes of these discussions have led to improvements and changes in communication, policy and procedures. The Collaborative also discusses the applications for the Loss Prevention Grant Program, determining the funding for projects across the UC campuses.

LOSS PREVENTION GRANT PROGRAM

The philosophy of the Loss Prevention Grant Program is to fund projects specifically designed to reduce the frequency and severity of loss at the university. Loss prevention is the act of taking proactive measures to prevent or reduce an identified risk exposure. Projects appropriate for the application of grant funds under the Loss Prevention Grant Program consist of areas or issues that have been identified where the risk of frequency and severity of loss is high. These include projects such as education travel grants, upgraded security cameras, electronic informed consent devices and addressing physician burnout.

Rebate Funding for FY 2018–19

- Davis: $173,409
- Irvine: $132,061
- Los Angeles: $326,350
- San Diego: $165,790
- San Francisco: $171,126
- Fresno: $48,690
- Student Health: $11,765
- ZSFG: $46,162

PROFESSIONAL LIABILITY FY 2015–16 THROUGH FY 2018–19 FINAL CASE RESULTS

The Office of Risk Services receives multiple claims each year. Claims are addressed and resolved in a variety of ways.

<table>
<thead>
<tr>
<th>FINAL CASE RESULTS – PROFESSIONAL LIABILITY</th>
<th>FY 15/16</th>
<th>FY 16/17</th>
<th>FY 17/18</th>
<th>FY 18/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appellate Win</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Demurrer</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Dismissal</td>
<td>24</td>
<td>31</td>
<td>25</td>
<td>34</td>
</tr>
<tr>
<td>Dismissal (Waiver of Fees and Costs)</td>
<td>48</td>
<td>53</td>
<td>25</td>
<td>44</td>
</tr>
<tr>
<td>Dismissal Pending/ During Appeal</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Dismissal Pending/ During Trial</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Other Dispositive Motion</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Settled</td>
<td>72</td>
<td>45</td>
<td>64</td>
<td>54</td>
</tr>
<tr>
<td>Summary Judgment</td>
<td>12</td>
<td>15</td>
<td>6</td>
<td>22</td>
</tr>
<tr>
<td>Third Party Takeover (Tender)</td>
<td>2</td>
<td>4</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Trial Win</td>
<td>11</td>
<td>8</td>
<td>8</td>
<td>14</td>
</tr>
</tbody>
</table>
General Liability and Property

PROTECTING PEOPLE, PLACES AND PROPERTY

The Office of the President, Risk Services (OPRS) provides general liability, auto and property insurance programs that cover the university and its employees for losses that arise out of the university’s operations. The insurance programs are managed by OPRS, which retains a third party administrator to investigate and resolve claims on behalf of the university.

UC’s risk exposures include:
- 6,394 vehicles (cars, trucks, buses, etc.)
- 9,672 hours of chartered flights
- 1 airport
- 8 helipads
- 514 drones
- 8 marine vessels
- 112,482 campus housing beds
- 135,046,943 sq. ft. of total building area across all campuses
- 5,904 individual buildings
- Over $1 billion in new construction values
- 90,980,299 individual physical units housed in UC libraries
- 100 libraries located on nine campuses with a total collection of 25 million volumes, second only in the U.S. to the Library of Congress
- 1 nuclear reactor

AUTO

The university’s Automobile Self Insurance Program provides auto liability and physical damage coverage for university personnel while operating the over 6,000 vehicles owned or leased by the university in the course and scope of their employment.

GENERAL LIABILITY

The General Liability Self Insurance Program covers university employees for accidents that result in injury or damage to others (non-university personnel) while university employees are conducting official university business.

Coverage applies to all university departments and auxiliary enterprises, officers, agents and employees (including bona fide volunteers). Coverage may also be extended to students enrolled in a formal training program while performing in the course and scope of their studies.

KEY ACCOMPLISHMENTS

Procured a new insurance product to address previously uninsured exposures and emerging risks:
- Unmanned aircraft systems (drones). Provides stand-alone aviation liability coverage for all UC-owned and operated drones.

CASE RESULTS TOTALS BY FISCAL YEAR PAID – ALL PROGRAMS

<table>
<thead>
<tr>
<th>Final Result</th>
<th>FY 15/16</th>
<th>FY 16/17</th>
<th>FY 17/18</th>
<th>FY 18/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appellate Win</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Demurrer</td>
<td>4</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Dismissal</td>
<td>5</td>
<td>5</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Dismissal (Waiver of Fees and Costs)</td>
<td>5</td>
<td>4</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Dismissal Pending/During Appeal</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Dismissal Pending/During Trial</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Dispositive Motion</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Settled</td>
<td>28</td>
<td>26</td>
<td>28</td>
<td>23</td>
</tr>
<tr>
<td>Summary Judgment</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Third Party Takeover (Tender)</td>
<td>3</td>
<td>6</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Trial Win</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>FY Total</td>
<td>52</td>
<td>49</td>
<td>43</td>
<td>50</td>
</tr>
</tbody>
</table>

REPORTED AVERAGE LOSS PER CLAIM

- Bodily Injury: $120,000
- Collision: $75,000
- Comprehensive: $125,000
- Property Damage: $250,000

NEW CLAIMS BY NOTICE TO TPA – AUTO LIABILITY

<table>
<thead>
<tr>
<th>FY 14/15</th>
<th>FY 15/16</th>
<th>FY 16/17</th>
<th>FY 17/18</th>
<th>FY 18/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bodily Injury</td>
<td>36</td>
<td>43</td>
<td>60</td>
<td>37</td>
</tr>
<tr>
<td>Collision</td>
<td>625</td>
<td>683</td>
<td>679</td>
<td>654</td>
</tr>
<tr>
<td>Comprehensive</td>
<td>17</td>
<td>64</td>
<td>63</td>
<td>60</td>
</tr>
<tr>
<td>Property Damage</td>
<td>252</td>
<td>264</td>
<td>231</td>
<td>202</td>
</tr>
<tr>
<td>FY Total</td>
<td>970</td>
<td>1,054</td>
<td>1,033</td>
<td>953</td>
</tr>
<tr>
<td>Change FY-Total</td>
<td>25</td>
<td>84</td>
<td>71</td>
<td>-80</td>
</tr>
<tr>
<td>%Change FY-Total</td>
<td>2.6%</td>
<td>8.7%</td>
<td>-20%</td>
<td>-7.7%</td>
</tr>
</tbody>
</table>
CONSTRUCTION

The University Controlled Insurance Program (UCIP) provides general liability, excess liability and workers’ compensation coverage for all enrolled contractors and subcontractors on construction projects of $25 million or greater.

UCIP provides cost and risk avoidance to reduce construction costs while providing higher limits, dedicated limits, 10-year completed operations for construction defects coverage, consistent claims management, and broader and uniform coverage. The program also provides for enhanced and coordinated project site safety, creating safer job sites with fewer injuries.

The university’s Master Builder’s Risk Insurance Program provides coverage during construction for physical loss or damage from most perils, and protects the university, contractors and subcontractors.

KEY ACCOMPLISHMENTS

- 251 projects enrolled in Master Builder’s Risk insurance with a total construction value of $529 million
- 5 projects in project-specific Builder’s Risk insurance with a total construction value of $777 million
- 7 new projects enrolled in the UCIP with a total construction value of $834 million
- 4 UCSF projects enrolled in Contractor’s Pollution Liability with a total construction value of $678 million

Owners Protection Professional Indemnity (OPPI)

- UCSF: 4 projects with a total construction value of $670 million
- UCLA: 3 housing projects with a total construction value of $636 million

Earned a Gold Safety Award for UCSD Biological and Physical Sciences Building project

Performing well within industry standards, achieving an overall cost avoidance against construction value rating of 144%, compared with industry average of 11%–15%.

BY THE NUMBERS

Overall program statistics for UCIP as of June 30, 2019:

- 28 active projects range in value from $22 million to $446 million
- 78 enrolled projects with a combined construction value of $6.68 billion
- 50 projects have completed construction
- Started 3 new housing projects at UCLA

MAJOR CONSTRUCTION PROJECTS COMPLETED IN FY 2018

<table>
<thead>
<tr>
<th>UCIP – Pending Closeout (Completed between 7/1/2018 and 6/30/2019)</th>
<th>Final CV</th>
<th>Coverage End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>UCSC Coastal Biology Building</td>
<td>$66,152,063</td>
<td>12/21/2018</td>
</tr>
<tr>
<td>UCSD-MC Outpatient Pavilion</td>
<td>$95,793,027</td>
<td>1/1/2019</td>
</tr>
<tr>
<td>UCSF Osler Parking Structure</td>
<td>$35,881,069</td>
<td>3/11/2019</td>
</tr>
<tr>
<td>UCLA CHS SOM West Seismic Renovation</td>
<td>$27,700,000</td>
<td>3/22/2019</td>
</tr>
<tr>
<td>UCSD Biological &amp; Physical Sciences Building</td>
<td>$92,069,955</td>
<td>4/1/2019</td>
</tr>
</tbody>
</table>

TOTAL: $317,596,114

PROPERTY

Property owned by the university — such as buildings and their contents, equipment, vessels, fine art and library collections — is automatically insured by the university’s Property Self-Insurance Program. This insurance covers loss and damage due to accident, theft, vandalism, fire, water, lightning, windstorms and hail. Coverage may be extended to property (loaned or leased) that is in the care, custody and control of the university.

KEY ACCOMPLISHMENT

Parametric earthquake insurance pays claims based on a specific event, such as an earthquake of 7.0 or greater. In addition to building repairs, funds can be used for post-event emergency response and recovery costs.

NEW CLAIMS BY NOTICE TO TPA DATE

<table>
<thead>
<tr>
<th>PROPERTY</th>
<th>FY 13/14</th>
<th>FY 14/15</th>
<th>FY 15/16</th>
<th>FY 16/17</th>
<th>FY 17/18</th>
<th>FY 18/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Damage</td>
<td>274</td>
<td>307</td>
<td>324</td>
<td>368</td>
<td>307</td>
<td>359</td>
</tr>
<tr>
<td>Contents</td>
<td>134</td>
<td>113</td>
<td>156</td>
<td>124</td>
<td>155</td>
<td>190</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>0</td>
<td>20</td>
<td>11</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Boiler and Machinery</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Environmental 1st Party</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>11</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Environmental 3rd Party</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>3</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>PR – TOTAL</td>
<td>394</td>
<td>438</td>
<td>500</td>
<td>525</td>
<td>491</td>
<td>581</td>
</tr>
</tbody>
</table>

Over $1 billion in insurable values related to art located systemwide, including UC Berkeley campus, Berkeley Art Museum, UC Davis, UC Irvine, UC Los Angeles, Los Angeles Sculpture Garden, UC Merced, UC Riverside, UC San Diego, UC San Francisco, UC Santa Barbara and UC Santa Cruz.
The OPRS Cyber-Risk Coordination Center (C3) is the programmatic arm for UC’s cyber-risk governance process. C3 provides a variety of valuable roles to reduce and insure the university’s cyber risk. The primary focus is on preventing and minimizing cyber risk. To that end, C3 collaborates with the Cyber-Risk Coordination Center and supports their initiatives: systemwide training, events, programs and tools, including targeted IT security training, phishing campaigns, penetration testing, and insurance training and awareness. C3 also collaborates with and helps fund the Threat Detection and Identification system, a systemwide tool to help manage and reduce cybersecurity risks.

OPRS also actively participates and collaborates cross-functionally with UC stakeholders, including General Counsel, Ethics and Compliance, Risk and IT Security, Cyber-Risk Governance, and OPRS Senior Leadership committees.

And finally, cyber and privacy liability insurance covers damages and claims expenses that the university is required to pay in the event of an actual or alleged breach in confidentiality because of security failure or online media activity.

**KEY ACCOMPLISHMENTS**

**Enhanced coverage terms and increased limits for cyber insurance coverage** to $100 million, covering a wide range of damage and claims expenses caused by a variety of incidents.

**Funded the rollout of systemwide threat detection and identification (TDI) initiative** to manage and reduce cybersecurity risk.

**Implemented multifactor authentication for systemwide applications**, including UC Path to protect sensitive data, including payroll and HR.

**Over 163,000 UC workforce members completed** systemwide cybersecurity awareness training.

**HISTORICAL PERSPECTIVE – INSURANCE LIMITS 2010–2019**

Due to the wide range of risks and complexities in the area of information security before FY 2016–17, it was necessary for the university to purchase an insurance policy that required the campuses and medical centers to meet certain technical standards in order for coverage to apply (known as “conditions precedent”). Since FY 2016–17, the university has been able to purchase cyber insurance without this limitation.
UC Travel Insurance
TRAVEL PROTECTION FOR EMPLOYEES AND STUDENTS

UC TRAVELER INSURANCE COVERAGE
Employees and students traveling on official university business are covered for a wide variety of accidents and incidents while away from the campus or primary workplace.

Coverage encompasses:
• Regents, faculty, staff or any person designated by UC while traveling at the direction and approval of UC
• Spouse/domestic partner, dependent(s), and traveling companions when traveling with them. (Travel should be registered.)
• Students participating in UC sponsored and supervised off-campus activities both domestically and abroad. (Registration required for activities taking place out of state and in foreign countries.)

PERSONAL TRAVEL
The UC Personal Travel Program offers three travel plans designed to integrate insurance benefits with valuable travel assistance services to help provide the extra protection employees need while traveling far from home.

The program is offered as an option for employees and students to purchase on their own for personal travel. It is not affiliated with any university-provided employee benefit, and the university makes no recommendation concerning it. As with any commercial travel insurance someone purchases, the traveler is responsible for paying the premium, arranging for any travel assistance services, and resolving any claim or coverage issues directly with the insurance carrier.

KEY ACCOMPLISHMENTS

Protected travelers to high-risk areas. Conducted independent security assessments of South Africa, Tanzania, Israel, France and Russia to mitigate risks for students traveling to these areas. Leveraged security relationships with federal and international security partners to provide strategic insight and planning for a high-profile issue in China. Conducted pre-travel security briefings and business continuity classes for students and faculty of the San Diego Rady School of Management.

SUMMARY OF TRAVELERS BY COUNTRY
Country and number of travelers:

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of Travelers</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>65,383</td>
</tr>
<tr>
<td>Netherlands</td>
<td>11,109</td>
</tr>
<tr>
<td>South Korea</td>
<td>11,300</td>
</tr>
<tr>
<td>Switzerland</td>
<td>11,148</td>
</tr>
<tr>
<td>Ireland</td>
<td>11,145</td>
</tr>
<tr>
<td>Australia</td>
<td>9,130</td>
</tr>
<tr>
<td>South Africa</td>
<td>7,193</td>
</tr>
<tr>
<td>India</td>
<td>6,893</td>
</tr>
<tr>
<td>Brazil</td>
<td>5,994</td>
</tr>
<tr>
<td>Chile</td>
<td>5,723</td>
</tr>
<tr>
<td>Thailand</td>
<td>5,666</td>
</tr>
</tbody>
</table>

“High-risk destinations” are those with Country/City Security Assessment Ratings (CSARs) of 4 or 5. CSARs are determined by our security vendor, iJET, using six parameters: crime, security, civil unrest, terrorism, kidnapping and geopolitical stability, all of which are in constant change.
UC Student Health Insurance Program

PROTECTING STUDENTS FROM UNEXPECTED HEALTH CARE COSTS

Because all UC students are required to have medical insurance, the university offers a comprehensive, systemwide health insurance plan — the University of California Student Health Insurance Plan (UC SHIP). UC SHIP includes medical, pharmacy, dental, vision, mental health and substance use disorder coverage for more than 128,000 UC undergraduate and graduate students and their eligible dependents.

UC SHIP provides access to an extensive nationwide network of providers that augments the robust services offered by the student health and counseling centers, which are important components of UC’s goal of enhancing student support and improving student recruitment, retention and degree completion.

UC SHIP delivers not only physical health to our students, but financial health to the university. By consolidating administration of the plans at the Office of the President, UC SHIP operates more efficiently and cost-effectively. In addition, the medical plan is self-funded, which delivers lower costs to the university and students by eliminating carrier retention and broker fees from premiums.

ucop.edu/ucship

KEY ACCOMPLISHMENTS

- Continued positive financial performance, resulting in stable renewals for campuses.
- Added Santa Barbara and Irvine undergrads back into UC SHIP.
- Reduced administrative expenses for waiver and eligibility administration by approximately 40% by placing this work with a new vendor.
- Implemented the Reserve Fund Investment Committee to recommend use of excess funds to benefit UC SHIP-enrolled students and dependents.

BY THE NUMBERS

- Directed $500,000 in reserves to fund the Therapy Assistance Online Connect program to improve access to mental health services for UC SHIP students.
- The cumulative premium increase of ~11% over the last three renewal cycles is lower than what an individual campus would be able to achieve through a direct insurer arrangement.
Captive Insurance Program

PROTECTING THE UNIVERSITY’S PEOPLE AND ASSETS

With 10 research universities, five academic medical centers and three affiliated national laboratories, UC generates countless risks. Traditional insurance arrangements through third parties mitigate the university’s financial exposure to these risks but come at a high cost in the form of premiums paid at a “retail” price point. In 2012, the university created an innovative method of financing these risks by creating a not-for-profit, licensed and regulated captive insurance company. Fiat Lux, owned and controlled by the Regents of the University of California, is the cornerstone of the university’s five captive insurance companies.

UC HEALTH RRG

UC Health RRG (Reciprocal Risk Retention Group) offers medical professional liability coverage to UC-affiliated physicians and physician groups, and vicarious liability coverage to UC.

- Leverages UC’s world-class risk management and claims processing team.
- Offered only to select physicians and physician groups.
- Every owner is an insured and every insured is an owner.

EUREKA AND EUREKA ONE

Eureka is a non-risk-bearing entity that sponsors new captive insurance companies, including Eureka One that offers reinsurance for third party insurance arrangements, including UC employees, students and alumni.

KEY ACCOMPLISHMENTS

Since inception, Fiat Lux and its captive insurance companies have:

- Provided over $100 million of insurance rate reductions and rate stability to UC campuses and medical centers.
- Allowed UC access to insurance and reinsurance arrangements only available to insurance companies like Fiat Lux, delivering financial efficiencies and coverage enhancements to all UC campuses and medical centers.
- Allowed for a disciplined, stable and regulated funding mechanism for UC uninsurable risks.

BY THE NUMBERS

- Fiat Lux – 40 different lines of coverage for the university, including reinsurance on employer- and employee-paid life insurance through Prudential for employees eligible for full, mid-level or core benefits. Eligible employees are automatically enrolled in basic and core coverage, for which UC pays the entire premium. Employees pay premiums for any voluntary supplemental or dependent coverage.
  - UC-paid life: 145,361
  - Employee-paid life: 135,668
- UC Health RRG – 35 physicians covered
- Eureka One – 281,029 total policies
Disasters can happen at any time. UC aims to be a disaster-resistant and disaster-resilient institution. OPRS provides systemwide support and guidance for emergency management (EM) and mission continuity as well as preparedness for UCOP’s internal crisis and EM function.

Scope of operations includes:

**Systemwide Emergency Management and Mission Continuity**
- Provides EM leadership, strategic vision, policy guidance, oversight, technical assistance/information, and systemwide coordination of personnel and resources.
- Supports and guides mission continuity, emergency action planning and information technology disaster recovery.
- Serves as the university’s 24/7 primary liaison to the state Office of Emergency Services (OES) and represents UC on the OES Statewide Emergency Planning Committee, State Hazard Mitigation Planning Team, and California Earthquake Early Warning Advisory Board.
- Maintains situational awareness in collaboration with campuses, medical centers, reserves, field stations and other stakeholders. Provides UCOP executives with notifications, intelligence, situational awareness and decision-making support.
- Manages mobile satellite radio program, enabling emergency communications in the event of conventional telecommunications systems failure.

**UCOP Crisis and Emergency Management**
- Maintains readiness of an Emergency Operations Center to enable UCOP to effectively direct, control and coordinate major systemwide and UCOP emergency response and recovery efforts and support operations.
- Maintains a notification system to provide direction to UCOP staff in emergency situations.
- Manages UCOP Automated External Defibrillator program and administers CPR/AED training for UCOP staff (nearly one in every eight UCOP staff members has received lifesaving training).

**KEY ACCOMPLISHMENTS**

**Know when an earthquake is coming.** Represented UC on the California Earthquake Early Warning System Advisory Board, participated in the installation of earthquake sensors across the state, provided feedback and advice to the state OES, and coordinated with state OES and UCOP Communications on a system test in downtown Oakland.

**Protection from wildfire smoke.** Collaborated on the Systemwide Air Quality Protocol Working Group to identify relevant public health standards and guidance, assisted the chair in resolving technical and policy-related issues, and drafted the initial Wildfire Smoke and Air Quality report to the president.

**Reporting progress.** To keep senior university management and other stakeholders apprised of EM’s programs, progress and preparedness, published the annual UC Emergency Management Status Report that benchmarks UC’s practices against the National Fire Protection Association (NFPA) national standard.

**Continuous improvement.** Coordinated and collaborated with campus EM staff and the UC Emergency Management Council to plan and facilitate the 24th annual Systemwide Emergency Management and Continuity Planning Forum. This forum — an intercampus collaboration focused on identification of and solutions to systemwide EM issues — enables the exchange of best practices, ideas, information, training materials and other resources, promotes cooperation, communication and coordination, and supports the continuing education of campus emergency managers.

### BY THE NUMBERS

OPRS responded to 23 significant university systemwide emergencies/incidents that impacted or had the potential to impact UC facilities, operations and/or community members. OPRS maintained situational awareness, coordinated and provided emergency management support to various campuses, facilities and stakeholders; and provided UCOP executives with notifications, intelligence, situational awareness and decision-making crisis management support.

#### 2019 Systemwide Incidents:

- 13 major wildfires threatening UC lands or facilities
- 3 campus-related threat/security or off-site targeted violence incidents
- 3 systemwide labor actions
- 1 campus major building fire
- 1 hazardous materials incident
- 1 civil unrest incident
- 1 off-site plane crash

#### 2019 UCOP Incidents:

- 3 first responder emergency responses to medical emergencies
- 2 bomb threats/suspicious packages
- 2 major Oakland transportation disruptions
- 1 building fire alarm first responder emergency response
- 1 downtown Oakland civil unrest event

See the full Systemwide Crisis and Emergency Management annual report on [ucop.edu/risk-services > Enterprise Risk and Resilience > Systemwide Crisis and Emergency Management](ucop.edu/risk-services)
It is critical for organizations to identify and respond to emerging risk events quickly and effectively. Enterprise Risk Management (ERM) is a coordinated approach that offers insight into how best to prioritize and manage the risks inherent in carrying out the university's mission of teaching, research, patient care and public service.

• ERM supports those conducting operational activities in identifying emerging risks in the daily operation of the business.
• ERM collaborates with those providing oversight in the form of frameworks, policies, tools, and techniques to support risk and compliance management.
• ERM coordinates with Internal Audit to help the university anticipate risk.

UC RISK PARTNERS
The vision for the UC Risk Partners is that UC leaders proactively use risk intelligence to strategically plot the future of the university, relying on trusted risk partners to identify, analyze and escalate internal and external risks.

To this end, the risk partners:
• Collaborate with experts across the organization
• Focus on insight with future predictive value
• Develop resources to facilitate decision support
• Are accountable to each other and the university

ERM ACROSS UC
Annual UC accountability reports provide comprehensive assessments of the university’s progress in meeting key teaching, research and public service goals. The data informs the university’s strategic planning, budgeting and performance management, as well as helps the Board of Regents identify the most important policy issues facing UC.

The Office of the Chief Investment Officer employs robust asset and risk allocation processes and policies to manage investments totaling approximately $120 billion, which includes retirement, endowment and cash assets.

The university has adopted the National Institute of Standards and Technology framework, and keeps its policies, required employee trainings, and insurance current to the changing cyber-risk landscape. For example, the Threat Detection and Identification system spots malware and compromises, which allows the university to respond quickly to new threats in a uniform way. Cybersecurity internal audit specialists provide assurance on cybersecurity control effectiveness.

Every campus has cross-functional risk and compliance committees that meet regularly to understand and build consensus on priorities to manage risks with cross-functional impacts. Every functional group at all levels of the university system, from chancellors to directors, has systemwide professional cohort groups that meet regularly to communicate on issues, share best practices, and collaboratively develop policies and procedures to address current risk and compliance issues.

The university holds the following systemwide conferences to bring together stakeholders from across UC to provide a discussion forum and education on current issues and risks: Risk Summit, Ethics Compliance and Audit Symposium, Cyber Security Summit, and People Management Conference.

RISK RESILIANCE
Provides leadership, programmatic guidance training and technical support to support the implementation of the Fusion Risk Management platform (UC Ready) for three functional areas: mission continuity, emergency action planning, and information technology disaster recovery.

KEY ACCOMPLISHMENTS
Developed a fully compliant enterprise continuity plan model that outlines the organizational and operational framework for campus-level continuity operations.

Launched several collaboration opportunities to facilitate better engagement and coordination across the system in areas of emergency management and continuity planning, including California regional meetings and health system continuity monthly calls.

Developed a continuity planner welcome packet, consisting of newly updated training materials, programmatic guidance, and other resources, to support and guide the onboarding of new continuity planners/managers.

Restructured UC Ready administrator training into a dynamic training that better aligns with adult learning methodologies and allows for ongoing engagement and knowledge development.

Developed a master UC Ready template for campus emergency action plans that allows for quicker implementation of this planning initiative.

Launched several initiatives to better facilitate the systemwide sharing of successes and best practices.
The Risk Services Data Management System (RDMS) is a systemwide reporting and analytics platform. This application aims to equip systemwide UC staff with data to help them make informed decisions to reduce the overall cost and impact of risk. Our goal is to encourage collaboration, share best practices and gain an understanding of what risk issues are occurring throughout our organization, systemwide and locally.

With easy access to data and reports, such as systemwide benchmarking metrics and dashboards, we can foster informed decision making and collaboration within the UC system.

Reports are used by UC leaders, Risk Management members, workers’ compensation managers, Environment, Health & Safety leaders, patient safety, quality, Patient Relations/Experience, and other internal reviewers of specific data maintained within the system.

RDMS produces a variety of enterprise wide reports. For example, the following are produced for and used in the workers’ compensation program.