

**CHAPTER 8: Business Operations**  
**BOARD POLICY NO. 8.40 (BP 5205 and 6540)**

**BOARD POLICY**  
**San Mateo County Community College District**

**Subject:** BP 8.40 Risk Management  
**Revision Date:** 10/12  
**Policy Reference:** Education Code Sections 70902, 72502, 72506, 81601 et seq.

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1. The District shall provide a program of Risk Management consistent with all legal requirements and within the financial ability of the District.
2. Within the Risk Management program, the District may purchase insurance for all real and personal property of the District; to protect the District from losses due to employee dishonesty, injury, or death; and to protect the Board, its appointed officers, and its employees while acting in the discharge of duties within the scope of their employment.
3. The District shall assure that students are covered by accident insurance in those instances required by law or contract.
4. The Executive Vice Chancellor is responsible for developing and maintaining procedures necessary for carrying out all aspects of the District's Risk Management policy.
5. Self-insurance, insurance pools, and insurance policies shall be evaluated to provide the most economical approach for the District's Risk Management program.
6. Insurance coverage will be recommended for purchase if the potential loss could significantly affect the District's financial position and if the extent of risk is higher than the cost of insurance.
  - a. All risks of loss and need for insurance will be evaluated both as a single activity and from the viewpoint of the entire District.
  - b. Conditions and practices which may cause loss are to be eliminated or modified whenever possible.
7. Insurable Value - Buildings and Contents
  - a. The insurable value of a building shall be defined as the replacement cost of such buildings.
  - b. The term "contents," as used in connection with insurance, shall be defined as all personal property not specifically excluded by the terms of the broad form for fire insurance policies. The valuation of contents, for insurance purposes, shall be on the basis of replacement cost.
  - c. The District shall not be responsible for the cost of repair or replacement or employees' personal property which is lost, stolen, or damaged while on District property.
8. A comprehensive report on the District's insurance coverage shall be brought to the Board on an annual basis.