

P&P 6540 INSURANCE

Reason for Changes (For more info on SBCCD's process for Board Policies and Administrative Procedures, visit <https://sbccd.edu/ap2410>.)

- Legal Update 38 – The Service updated this procedure to add a use note to clarify that an actuarial evaluation is required if a District establishes a fund for losses and payments for health and welfare benefits for its employees for its employees for the purpose of covering the deductible amount under deductible types of insurance policies, losses or payments arising from self-insurance programs, or losses or payments due to noninsured perils.
- Legal Update 40 – The Service updated this policy to delete a reference to workers' compensation insurance and reflect Education Code Section 72506.
- Minor clerical edit.

Review Level:
1 | FYI Only

Review Level Approved by PPAC:
4/10/2023

BOT 1st Reading:
5/11/2023

BOT 2nd Reading & Approval:
6/8/2023

BP 6540 INSURANCE
Changes Redlined

The Chancellor or designee shall be responsible to secure insurance for the District as required by law, which shall include but is not limited to the liabilities described in Education Code Section 72506 as follows:

- Liability for damages for death, injury to persons, or damage or loss of property;.
- Personal liability of the members of the Board of Trustees and the officers and employees of the District for damages for death, injury to a person, or damage or loss of property caused by the negligent act or omission of the member, officer, or employee when acting within the scope of his/ or her office or employment. The Chancellor may authorize coverage for persons who perform volunteer services for the District.
- Worker's compensation insurance.

Insurance also shall include fire insurance and insurance against other perils.

The District may join in a joint powers agreement pursuant to Education Code Section 81603 for the purposes described in this policy.

References:

Education Code Sections 70902, 72502, 72506, and 81601 et seq.

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AP 6540 INSURANCE

With Changes Redlined

Pursuant to Education Code Section 81603, the District shall be a member of one or more Joint Partnership Agreements (JPA) for the purpose of providing the following coverage:

- Liability insurance protecting the District, its employees, Board of Trustee members, Foundation Board directors, and Citizens' Bond Oversight Committee members, against liability for negligence while acting within the scope of their duties.
- Property insurance protecting the District's Real Property, and Personal Property except automobiles, against loss suffered from fire, power failure, vandalism, and other sources, excepting damage caused by "acts of God" such as earthquake, flood, wear and tear, and similar causes as defined by the JPA.
- District vehicle insurance shall be provided under a General Comprehensive Liability Policy, with additional coverage as available through the JPA.
- Workers' Compensation Insurance meeting all requirements of the State of California, for all district employees.

Student health insurance shall be available to cover student injuries incurred in the course of participation in district-sponsored activities including athletics.

Independent contractors must obtain their own insurance coverage; no insurance of any kind will be provided to independent contractors by the District.

NOTE: *If a District establishes a fund for losses and payments for health and welfare benefits for its employees for the purpose of covering the deductible amount under deductible types of insurance policies, losses or payments arising from self-insurance programs, or losses or payments due to noninsured perils, the District must secure the services of an actuarial to provide an actuarial evaluation of the future annual costs of such benefits.*

NOTE: *Education Code Section 81602 specifically authorizes the District to contract for investigative, administrative and claims adjustment services. The contract may provide that the contracting firm may reject, settle, compromise and approve claims within limits and for amounts specified by the Board, including execution and issuing of checks in payment of such claims. The contract may also provide that the contracting firm may employ counsel.*

References:

Education Code Sections 70902, 72502, 72506, and 81601 et seq.

END OF RECOMMENDATION