

E-14 RISK MANAGEMENT

The Board recognizes its responsibility for properly managing the resources of the school system. The responsibility includes the safety of students, employees and the public as well as concern for protecting the system's property from loss. No new policy or procedure will be adopted or approved by the Board without first giving careful consideration to the school system's risk exposure.

The Superintendent or his/her designee shall be responsible for establishing a risk management and insurance program covering all property and program risks related to the performance of the educational and service missions of the system. This risk management and insurance program shall include means for identifying, eliminating, reducing, retaining or transferring risk. Only when a particular risk cannot be eliminated or feasibly retained by the system shall it be transferred by the purchase of insurance.

The Board realizes that the assumption of some predictable risks is the most economically feasible method of treating certain exposures. When in the apparent best interest of the system, the Board may budget for and retain limited and predictable risks of financial loss.

When the purchase of insurance is deemed necessary, such purchase will be made on the basis of service offered by the insurer, the reliability and financial stability of the insurer, and the price of the insurance as competitively determined.

The Board does not recognize any obligation to purchase insurance from a particular agent(s) broker(s) or insurer representative(s) or State Insurance Fund other than an obligation based on the above stated considerations.

The Board authorizes the Superintendent to seek professional risk management advice, if necessary, in order to develop, implement and maintain an effective risk management program for the system.

ADOPTED: May 11, 2004.

LEGAL REF: Code of Alabama 16-11-12; 16-11-27; 16-12-5