



**Policy for:
Risk Management:
Insurance**

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Board Secretary	
Signature:	

Purpose:

The purpose of the Risk Management - Insurance policy is to assist the LCRC in preserving the assets and financial well-being of the Louisiana Cancer Research Center and offers guidance for managing LCRC's financial risk through the procurement and maintenance of insurance.

Policy Statement:

LCRC manages risk by taking proactive approaches to reduce the likelihood or severity of some unknown occurrence that could prevent or seriously derail fulfillment of LCRC's mission and objectives. Risk management opportunities occur at every level and risk management is the responsibility of everyone involved in supporting the mission of LCRC. The Board of LCRC is responsible for mitigating risk by creating and/or authorizing policies and procedures designed to reduce risk.

Insurance is one of many tools LCRC uses to manage risk. While insurance cannot prevent something bad from happening, it can transfer the financial impact of a bad result or decision to an insurance carrier, thus in many cases limiting LCRC's risk to the cost of insurance.

LCRC shall maintain reasonable and adequate coverage to safeguard the assets and financial well-being of the corporation. Such coverage will include:

- Builder's Risk (during periods of construction)
- Directors and Officers (D&O) Insurance
- Fidelity Bond Insurance
- Flood Insurance
- General Liability Insurance
- Property Liability Insurance
- Workers Compensation Insurance

LCRC requires all vendors to provide proof of insurance before providing services on LCRC property.

LCRC also requires it occupant liability insurance for space occupied under and Occupancy Agreement or other lease arrangement.

Pursuant to the LSU Ground Lease requirements, LCRC shall maintain insurance coverage with specific limits and ratings, for construction period insurance (builder's risk) and building liability insurance. All construction related contractors are also required to meet minimum insurance requirements as stated. A schedule of insurance requirements is included in the Ground Lease.

Definitions:

Builder's Risk Insurance - Coverage that protects LCRC's insurable interest in materials, fixtures and/or equipment being used in the construction or renovation of a building or structure should those items sustain physical loss or damage from a covered cause.

Certificate of Insurance - A document issued by an insurance company/broker that is used to verify the existence of insurance coverage under specific conditions granted to listed individuals. More specifically, the document lists the effective date of the policy, the type of insurance coverage purchased, and the types and dollar amount of applicable liability.

Directors and Officers (D&O) Insurance – A policy that offers liability coverage for Board of Directors and senior executives of LCRC, to protect them from claims which may arise from the decisions and actions taken within the scope of their respective duties. It reimburses (in part or in full) the costs resulting from lawsuits and judgments arising out of poor management decisions, employee dismissals, and other acts committed in good faith. Criminal offenses are not covered under this insurance.

In addition to D&O coverage, the Board of LCRC enjoys protection by the state per R.S. 17:1923. Specifically, stated, members of the board while acting within the scope of their duties and responsibilities as board members shall not be subject to any personal liability resulting from carrying out the powers and duties conferred on them as members of the board, and shall have the indemnification rights provided in R.S. 13:5108.1, et seq., with respect to such actions.

Fidelity Bond (Employee Dishonesty) Insurance - A form of insurance protection that covers policyholders for losses that they incur as a result of fraudulent acts by specified individuals. It usually insures a business for losses caused by the dishonest acts of its employees. Coverage applies to all fiscal staff.

Flood Insurance – A policy that protects the LCRC in the event of water damage to the structure and contents of the building.

General Liability Insurance – The insurance coverage that protects the LCRC against allegations that someone suffered bodily injury, property damage or various kinds of personal injury arising from the premises or operations. It protects LCRC from the risks of liabilities imposed by lawsuits and similar claims.

Property Liability Insurance – A policy that provides financial reimbursement to the owner of a structure (building) and its contents, in the event of damage or theft.

Workers' Compensation Insurance - A policy that covers medical and rehabilitation costs and lost wages for LCRC employees injured on the job.

References:

R.S. 17:1921 et seq

R.S. 13:5108.1 – Indemnification of officers and employees of the state

Ground Lease Agreement for the Louisiana Cancer Research Center Risk Management: Insurance Policy