

Why Choose MCCRMA

The Michigan Community College Risk Management Authority is an organization created by its members to provide property/casualty insurance, risk management and related services exclusively to Michigan Community Colleges.

Focus on Higher Education

MCCRMA coverage and services are designed from the ground up to specifically serve the needs of Michigan Community Colleges ONLY! Our broad coverage and high limits of liability are tailored to the particular needs of community colleges- YOUR NEEDS!

- Community Colleges offers degrees and certificates, not high school diplomas. Their needs are different from K-12's.
- Community Colleges do not operate hospitals and research facilities. Their needs are different from four year institutions.
- Community Colleges do not manufacture widgets or sell services. Their needs are different from manufacturers and other business entities.
- MCCRMA serves only community colleges.

Member Driven/Member Controlled

As a Member of a very select group (Michigan Public Community Colleges who are members of the Michigan Community College Authority), MCCRMA members, will have significant influence over governance of the Authority. Like some other member insurance pools, MCCRMA is governed by a board of directors elected by and among its Members' representatives. MCCRMA members include 20 of Michigan's 28 community colleges. So, unlike other similar organizations and pools, each Member's voice is heard loud and clear will be one of a maximum 28 instead of one of hundreds!

Our smaller membership means more control and more focused attention from service providers. Most MCCRMA Member Representatives and service providers are on a first-name basis and have worked together for many years.

Member Participation

Most member colleges regularly participate in MCCRMA board of director and Membership meetings. The board/membership meets four times each year. To encourage participation, MCCRMA schedules three of its four meetings to coincide with meetings of the Michigan Community College Business Officers Association (MCCRMA always meets the day before MCCBOA). Since chief business officers are typically designated as colleges' Member Representatives to the MCCRMA, this makes it easier to lend your voice, keep up with current insurance issues and take advantage of our educational opportunities. Most MCCRMA members choose to attend these meetings.

Ease of Administration

Client-side administration of the MCCRMA property/casualty insurance program couldn't be easier. All coverage is provided by a single organization utilizing only two coverage documents (insurance policies.)

Binding initial coverage is as simple as two signatures and a check for initial contribution (premium). Insured property, including automobiles, is covered on a blanket basis. There is no need to worry about the details of each building. Real property and library holdings appraisals are done on-site each year to help assure you are insured for the full replacement cost of your property.

Annual renewal of coverage is automatic and requires you simply update a few contents values by building, update the automobile schedule, and report the number of allied health students and public safety officers. The risk manager completes many of the schedules on your behalf, using data from the annual appraisals.

One policy (two coverage documents) administered by one organization (MCCRMA) provide coverage for nearly all of your property and liability insurance needs.

Certificates of insurance are as simple as an email request with a copy of the related contract.

Superior Coverage and Limits of Liability

Liability- Types of Losses Covered

Bodily Injury

Bodily injury, harm, sickness, or disease sustained by a natural person, including death resulting therefrom.

Property Damage

Physical injury to or destruction of tangible property, including resultant loss of use of that property, or loss of use of tangible property that is not physically injured or destroyed

Personal Injury

Personal injury, other than bodily injury as defined, means false arrest or detention, malicious prosecution, libel or slander, violation of privacy rights, violation of civil, statutory or constitutional rights, discrimination or harassment arising out of employment or law enforcement operations

Medical Malpractice

Medical malpractice for nurses (including nursing faculty within the scope of their teaching duties), paramedics, emergency medical service technicians, police or fire personnel only for immediate medical assistance or treatment in an emergency situation and for public and mental health operations and facilities or as incurred as a result of student training as part of allied health or similar programs of the member colleges

Motor Vehicle Liability

Motor vehicle liability, including personal and property protection and residual liability under Michigan No Fault

Wrongful Acts

An actual or alleged error, misstatement, act, omission, neglect or breach of official duty

Liability Causes of Loss Covered.

MCCRMA covers the above types of losses resulting from ANY cause, unless specifically excluded in the Liability and Vehicle Physical Damage Coverage Document. Please see that document for detail and list of exclusions.

Liability Coverage Limit

All costs of liability claims, including defense, loss adjustment expenses, settlements and or judgments are covered up to

- ▶ \$15,000,000 each occurrence
- ▶ Occurrence coverage applies for **ALL** covered exposures. **There are NO claims-made coverages**
- ▶ There is no limit on the number occurrences that can be covered- (NO AGGREGATES!)
- ▶ This \$15,000,000 limit applies to **ALL** liability losses covered under the policy
- ▶ There are **NO separate limits** for certain kinds of losses, such as board errors & omissions or teacher professional liability. \$15,000,000 limit each occurrence applies to all liability coverage.

Who is Covered

- ▶ The Member college
- ▶ Present and former “Employees”, broadly defined to include:

“...any person, who performs official duties on behalf of the Member community college, is compensated directly by the Member, and is subject to the Member's direction and control.

“Employee” also includes:

“...Students only when fulfilling curriculum requirements or when participating in college-sponsored events, volunteers, elected officials, and members of the governing body, and any person officially appointed by the Member to any boards or commissions...”

Liability Coverage covers virtually all aspects of your operations under a single coverage document including:

- General Liability
- Teachers Professional Liability

- Broadcasters/Media Liability
- Medical Malpractice for students
- Medical Malpractice for educators
- Other Student Liability
- Auto Liability
- Garage Liability
- Garage Keepers Liability
- Employment Practices Liability
- Law Enforcement Liability
- Directors & Officers Errors and Omissions
- Commercial Umbrella

Property- Subjects of Coverage

If the college owns it, leases/rents it, or is otherwise responsible for it, it is likely covered through MCCRMA under a single coverage document including:

- Buildings
- Buildings and Renovations Under Construction
- Business Personal Property
- Property In-Transit
- Unreported Property
- Newly Acquired or Constructed Property
- Personal Property of Others
- Valuable Papers
- Fine Arts
- Money and Securities
- Accounts Receivable
- Fire or Emergency Vehicles
- Mobile Equipment
- Structures Other Than a Building
- Marine Property
- Income and Extra Expense
- Blanket Fidelity and Faithful Performance
- Earthquake
- Flood
- Auto Physical Damage
- Computers/EDP
- Crime
- Inland Marine
- Boiler & Machinery/Equipment Breakdown

Covered Causes of Loss

Broad coverage applies to “...direct physical loss or damage from **any cause**, except those excluded in this Coverage Document”

Loss Settlement Basis

Nearly all property losses are settled on a replacement cost basis. This covers the amount necessary to replacement damaged property with new property of like kind and quality- instead of depreciated value. A few exceptions include auto physical damage and money and securities. These are valued at actual cash value at time of loss.

Reliable/Available

MCCRMA has been providing Member insurance and services since 1985. Most members have been in the organization 20+ years! Coverage is continuous as long as the college remains a member. No membership has ever been cancelled or non-renewed by MCCRMA. Our excellent loss history, loss control practices make our organization very attractive to reinsurers who compete for our business. In addition, MCCRMA and its independent, but closely-related cousin, the Michigan Municipal Risk Management Authority combine their strengths when negotiating reinsurance treaties, bringing excellent stability in pricing and availability.

Secure

To enhance its security, MCCRMA negotiates with multiple reinsurance partners to spread its risk. For example, its current casualty reinsurance portfolio includes six domestic and international insurers carriers with AM Best rated “A” or better. In addition, MCCRMA is contractually protected against insolvency of these reinsurers by the Michigan Municipal Risk Management Authority.

Superior Risk Management Services and Resources

The breadth of risk management services, and commitment to helping member colleges proactively manage their risks is a major hallmark of the MCCRMA program, setting it apart from all others.

Associated Risk Management, Inc. (ARM) is available on a daily basis to serve college members’ risk management needs including contract and policy/procedure reviews and assistance with most any other risk management issue. **The relatively small size of the MCCRMA organization (20 members instead of hundreds!) allows ARM to provide more in-depth service than cannot be practically achieved by any other insurance organization, commercial or public.**

ARM also visits each campus at least annually for a comprehensive physical inspection.

Personnel-related claims and litigation represent a significant percentage of all claims paid on behalf of MCCRMA members. For each member college, ARM does a comprehensive audit of existing HR-related policies, procedures, and practices. The scope of this examination covers every aspect of HR from how

positions are advertised to how employees are terminated and everything in between. The process begins with an interview with the HR director to gather information about existing practices. Detailed written recommendations are prepared and personally reviewed with the HR director. ARM can further assist clients by offering model policies, assist in creation of employee handbooks and job descriptions.

ARM has visited campuses and interviewed individual instructors and department heads. For example, we met with science and technology instructors to discuss how they teach, enforce, and document safety-related instruction. We offered on-the-spot feedback and suggestions followed up with a written report.

We have also completed a comprehensive risk management review of allied health programs. This review is similar in scope to the other surveys mentioned.

Contracts with contractors, vendors, clinical facilities etc. also can pose problems. ARM reviews insurance and indemnity provisions of any contract at the Member's request. We will respond with specific recommendations including suggested language.

In the wake of Virginia Tech and other school/campus shootings, ARM has been presenting on-campus programs as part of its Campus Safety Initiative. These sessions cover crisis response basics; individual response in a crisis; awareness and warning signs; and threat assessment. Most recently we have begun offering Clery Act compliance training to help members avoid Department of Education fines that are growing in number and size (some in the \$100's of thousands of dollars!)

At quarterly board meetings, ARM provides training to attendees on a wide variety of current risk management topics involving colleges (see comprehensive listing elsewhere in this proposal).

In addition, ARM can fulfill most special requests for on-campus training and orientation. We have provided training to entire staffs on topics such as sexual harassment and emergency response. There is never additional cost for on-site training or other presentations.

The MCCRMA website includes a Members-Only risk management section where ARM maintains copies of its:

- ▶ Training presentations and publications
- ▶ Sample forms, Policies and Procedures

Website Resources

In addition to the risk management resources, Member colleges only also have access to:

- ▶ Board of Directors Business
 - Meeting Agendas
 - Meeting Minutes
 - Board Resolutions
 - Board of Directors History
- ▶ Claims Forms
- ▶ Comprehensive Member and Service Provider Contact Information

- ▶ Financial Information
 - Interim Financials
 - Financial Audits
 - Quarterly Investment Reports
- ▶ Miscellaneous Forms
- ▶ Legal Service Reports
 - Litigation Summary
 - Case Law Update
 - Legislative Updates
- ▶ Meeting Materials- All Meeting Materials and Handouts
- ▶ Operating and Coverage Documents
 - Joint Exercise of Powers Agreement
 - Bylaws
 - Liability and Vehicle Physical Damage Coverage Document
 - Property and Crime Coverage Document
- ▶ Organization Chart
- ▶ Reinsurance Information
- ▶ Meeting Information/Reservations
- ▶ Underwriting Data
- ▶ **Each College has its Own Pages that include:**
 - Copies of real property appraisals
 - Copies of Bonds issued
 - Copies of Certificates of Insurance
 - Copies of Policy Documents
 - Copies of College-Specific Forms
 - Copies of Certificates of Insurance
 - Copies of Renewal Exposure Data
 - Copies of all risk control reports

Solution-Oriented Claims Focus

As a membership organization, MCCRMA is responsible only to its member colleges, not stockholders or outside directors. All service providers, including (but not limited to) risk management, claims adjusters and defense counsel work on behalf of the membership. Claims are always handled to achieve the most positive outcome for the member claimant. We work very hard to find coverage solutions, not coverage exceptions.

The same lawyers and claims adjusters help you with all of your claims and lawsuits, regardless of the line of business. Over time, you will get to know a small handful of people (literally!) who will tend to all of your claims and legal needs.

Shared Financial Success

Member colleges directly benefit from the financial success of MCCRMA and from their own good loss experience. Member funds held on deposit collectively invested with interest earnings (losses) credited directly to Member accounts (not to the organization). These funds on deposit are accumulated by the Member to cover the Member's share of claims-related expenses. Good loss

experience allows these balances grow, to the Member's benefit, supplemented by investment earnings.

Summary

MCCRMA members enjoy extremely broad coverage and coverage limits designed to serve the specific needs of community college. The exclusive nature of the organization naturally keeps the number of members relatively small, compared to large pools, which assures service levels that cannot be practically achieved through other insurers.

Not all insurers or pools are alike. What MCCRMA does, and how we do it, is much different than other programs. There is much more benefit to membership than just our superior coverage and limits of liability. What most-distinguishes MCCRMA from other programs, and what most contributes to its success, is our Members' commitment to actively control risk and the unparalleled support MCCRMA provides to do so.