

**ALLIANCE OF SCHOOLS FOR
COOPERATIVE INSURANCE PROGRAMS
(ASCIP)**

LOSS CONTROL ASSISTANCE PROGRAM POLICY
Rev 5-17-02

I. PURPOSE

It is a primary goal of the Alliance of Schools for Cooperative Insurance Programs (ASCIP) to provide to participating members loss control risk management services that eliminate or reduce the frequency and severity of accidental losses to which this self insurance program applies. The Loss Control Assistance Program (LCA) is a financial mechanism by which this can occur.

II. ADMINISTRATION

The LCA is administered by the Director of Administration and Risk Services of ASCIP under the direction and approval of the ASCIP Loss Control and Executive Committees.

III. LCA EXPENDITURES

The Loss Control Committee shall have authority to approve LCA expenditures based on the criteria described herein.

A LCA request for funds of \$10,000 or less may be processed and approved by the ASCIP Director of Administration and Risk Services without prior approval of the Loss Control Committee.

The ASCIP Director of Administration and Risk Services may choose not to act to approve a LCA request and may refer the application to the Loss Control Committee with appropriate recommendations.

Such actions shall be reported at the next following Loss Control Committee meeting.

LCA expenditures will be prioritized by ASCIP and will be limited to payment or reimbursement of costs incurred to implement programs outlined under Section VI - Loss Control Assistance Use Criteria.

Participating members have ninety (90) days, unless otherwise approved, from notification of approval of LCA funds to complete projects or activities and submit the required documentation (job specifications/invoices). If projects are not completed and documentation not provided within ninety (90) days of notification for approval of LCA funds, the LCA funds may be unencumbered and returned to the ASCIP LCA pool funds on the ninety-first (91st) day. A new application for LCA funds must then be resubmitted for approval.

IV. ELIGIBILITY

All participating members are eligible to receive LCA funds. However, LCA funds are not automatic or guaranteed, even if the activity or program falls within the use criteria described herein. Access to LCA funds can occur by a participating member applying for or upon recommendation by the Director of Administration and Risk Services. Attached as Exhibit B is the Application for LCAF. A decision regarding the application will be made by the Loss Control Committee and/or the Director of Administration and Risk Services based on member's loss history, their safety program activities, participation in ASCIP programs in conformance with this policy, and other related programs.

To permit ASCIP staff adequate time to investigate the merits of the application, prepare suitable recommendations and place the issue on the meeting agenda, applications shall be received at least thirty (30) days prior to the next scheduled Loss Control Committee Meeting. Applications agendaized and placed before the Loss Control Committee shall be decided upon within thirty (30) days of the Committee Meeting in which the LCA application is first addressed.

If the application is not approved, the Loss Control Committee must state why the application was denied and, if applicable, recommend steps that can be taken to improve the acceptability of the application. Participating members can reapply after the recommendations have been implemented and the desired goal is achieved. Participating members may appeal the Loss Control Committee's decision to the Executive Committee.

V. FORMULA FOR CALCULATING AWARDS

Each District shall be eligible annually to apply for LCA funds in an amount no greater than 25% of the average of the District's last three years total premium paid to ASCIP. In the event a District has not been an ASCIP member for three years, the average of the premiums paid for the last three years should still be used, and zero premium shall be averaged in for each year or years the district was not a member.

VI. LCA FUNDS USE CRITERIA

Programs which are financed with LCAF must relate directly and primarily to activities which eliminate or reduce the frequency or severity of general liability, automobile liability, property, crime, and automobile physical damage losses which are covered under ASCIP. This includes, but is not limited to, the activities listed below.

- Remediation of hazardous conditions that significantly impact the ASCIP pool.
- Implementation of safety education or training programs.
- Attendance at conferences and seminars which are dedicated primarily to addressing loss control and safety issues.
- Purchase of supplies, equipment, or other materials related to reducing safety hazards.
- Temporary employment of employees or consultants.
- Purchase or rental of safety manuals, books, films, videos, posters, etc.
- Cost of publishing or purchasing safety magazines and/or newsletters.
- Implementation of employee safety motivational programs.
- Emergency preparedness supplies or equipment.

VII. EXCLUSIONS

LCAF may not be used for the expenditures listed below:

- Expenditures to eliminate or reduce the frequency or severity of losses not covered under ASCIP. Members participating in ASCIP's Worker's Compensation coverage program may apply for funds for programs designed to reduce Workers' Compensation claims provided that the activities, materials, or equipment for which those funds will be used are not required by law, code, or regulation
- Expenditures which are not primarily (51 percent or more) designed to eliminate or reduce the frequency or severity of losses covered under ASCIP.

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- Normal or routine general maintenance or equipment replacement, such as repair of equipment or servicing of buses or vehicles.
- Capital improvements, such as remodeling or enlargements of offices.
- Expenditures to comply with federal, state, local, or other governmental statutes, ordinances, regulations, or codes, such as Americans with Disabilities Act., Senate Bill 198, CAL OSHA, building or safety ordinances. Funding for playground safety improvements shall not be excluded from the grant application process regardless of statutes, ordinances, regulations, or codes which may be enacted and apply to public playground activities or equipment.
- Expenditures for payment or reimbursement of taxes, fines, or penalties.

VIII. INDIVIDUAL MEMBER ACCOUNTS -- RISK MANAGEMENT DEPOSIT FUNDS

Participating members may open individual Risk Management Deposit Fund accounts. These individual accounts may be funded by:

- Applying all or part of experience modification credits.
- Applying all or part of retrospective refund adjustments.
- Direct deposits of any amount.

Individual member accounts will earn interest at the prevailing rate earned by ASCIP in its regular investment portfolio. Interest will be calculated and posted quarterly to the member's account.

Risk Management Deposit Funds may be utilized for the following purposes:

- Hazard Abatement.
- Funding risk management or insurance needs.
- Other authorized District expenses.

Members may withdraw any amount from their individual accounts by completing the Request for Risk Management Deposit Funds (Exhibit C).

Disbursement of District Risk Management Deposit Funds may be made to the following parties:

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1. to an ASCIP member
2. to ASCIP
3. to an approved ASCIP vendor for a program approved by the Loss Control Committee.

All Risk Management Deposit Fund disbursements above \$25,000 shall require two signatures:

- one signature each from the two designated ASCIP contact persons, or;
- one signature from a designated contact person and one signature from a higher level administrator or supervisor signing in the place of a previously designated ASCIP contact;
- Lacking any previously designated ASCIP contact, or approved interim contact, only the District Superintendent or the President of a member College shall be permitted to authorize RMDF disbursements.