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**Administrative Procedure**  
Chapter 6 – Business & Fiscal Affairs

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**AP 6540 INSURANCE**

**References:**

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

1. The Vice President, Administrative Services or designee is responsible for implementing these procedures.
2. The identification of risks is the responsibility of all members of the college community, both employees and students. Unsafe conditions shall be reported as soon as discovered to the Facilities Department.
3. District activities shall be evaluated for sufficient educational, recreational, or public relations benefits to warrant the risk exposure involved. Each identified exposure shall be evaluated to determine the potential severity of loss and the probability of occurrence. The evaluation should determine the cost to the District and methods to manage the risk. If the activity is essential to the goals of the District, the risk may be assumed, reduced, or insured with the approval of the Vice President, Business Services.
4. A risk management program which identifies, analyzes, and measures exposures and defines alternative risk-bearing methods through avoidance, assumption, reduction, or risk transfer of those exposures will be used to minimize risk whenever possible.
  - A. The program shall be coupled with active safety education, inspection, and loss prevention efforts to assist in meeting the goals and objectives of the District.
5. Potential losses which the District can fund within its financial means can be self-insured (reserve for said purpose) or self-assumed (paid for from current general operating funds). Exposure to catastrophic loss should be avoided if insurance coverage is not available at reasonable rates.
6. In situations where it is not within the financial capability of the District to assume a risk, that risk shall be transferred to other sources through various other measures, which may include financial or contractual risk transfer.

7. The transfer of risk shall not be used as a substitute for effective safety and risk management programs.
8. The inspection of facilities, grounds and athletic practices shall be regular and thorough. A program of safety education for employees and students shall encompass the most common and hazardous areas of exposure. The District Safety and Emergency Preparedness Committee shall assist in identifying specific areas which need emphasis, monitor crime statistics, recommend counter measures for safety issues, and assist in the promotion of safety education programs. Records shall be kept of safety education programs and inspection activities.
9. Risk management data will be collected to include provisions for trend analyses to determine future loss control needs.
10. Where District equipment or property is susceptible to theft, physical safeguards will be considered. Property or equipment susceptible to theft includes but is not limited to property of higher value which can be easily removed.

Also see BP/AP 2735 Board Member Travel, BP/AP 3810 Claims Against the District, BP/AP 4300 Field Trips and Excursions, BP/AP 5700 Intercollegiate Athletics, BP 6540 Insurance, BP/AP 6800 Occupational Safety, BP/AP 7400 Employee Travel, and AP 7343 Industrial Accident and Illness Leave.

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