

**University Policy No:** FM5300  
**Classification:** Financial Management  
**Approving Authority:** Vice President  
Finance and Operations  
**Effective Date:** April 2013  
**Supersedes:** December 2000  
**Last Editorial Change:**  
**Mandated Review:** April 2020

## **LIABILITY INSURANCE**

**This policy forms part of the Faculty Framework Agreement as Appendix H.**

### **PURPOSE**

- 1.00 The purpose of this policy is to outline the financial protection afforded to staff or faculty while acting on behalf of the University.

### **DEFINITIONS**

For the purposes of this policy:

- 2.00 Indemnity means reimbursement of reasonable financial expenses incurred personally by a staff or faculty member resulting from claims for damages by a third party.

### **JURISDICTION/SCOPE**

- 3.00 This policy applies to all officers, directors, governors, employees, volunteers, other authorized entities and students while acting on behalf of the University and in good faith.

### **POLICY**

- 4.00 Faculty and staff members performing their normal responsibilities in good faith and within the scope of their employment or other authorized employment responsibilities will be defended and indemnified by the University against legal actions brought by third parties. Such legal actions may concern bodily injury, personal injury (e.g. libel or slander), damage to the property of others or by error or omission causing financial loss to the third party. Such defense and indemnification will be provided even if there is error or negligence by the faculty or staff member. The University will not defend or indemnify faculty or staff members against legal actions arising from outside professional activities not expressly sanctioned and approved by the University.
- 5.00 The University may choose not to defend and/or indemnify a faculty or staff member who has not acted in good faith, such as where she or he has inflicted intentional or willful injury to others or damage to property; committed acts of fraud, dishonesty, criminal activity, harassment, sexual harassment, or discrimination on a ground that is prohibited under the BC Human Rights Act.

- 6.00 To support the financial cost of defending legal actions and paying settlements, the University maintains on behalf of itself, its officers, employees, volunteers and certain other named insureds, Comprehensive General Liability, Errors and Omissions and other insurance policies. These policies contain certain exclusions requiring the University to carry the risk itself of certain exposures such as contract liability, wrongful dismissal, pollution (other than sudden and accidental), etc. Where the insurer will defend and indemnify, the insurer must be in agreement on the selection of legal counsel, the terms of any settlement and other such issues during the course of proceedings. Similarly, in consideration for such defence and indemnification, the University and/or its insurer shall be permitted by the faculty or staff member to reduce contributions to defense and indemnity settlements by calling on other insurers who have insured the same risk to contribute and/or provide reimbursement from other wrongdoers by way of exercising legal rights to subrogation.
- 7.00 The University's liability insurance does not defend and/or indemnify for third party claims resulting from use of privately owned vehicles used on University business. This coverage is the owner's and driver's responsibility.
- 8.00 All incidents involving injury or property damage to another party must be reported promptly to the Risk and Insurance Analyst. This is most commonly done with the assistance of Campus Security which attends incidents on campus. Late reporting of claims can nullify the University's insurance coverage so it is essential that all incidents involving injury or property damage be reported promptly. Faculty and staff are not authorized to make any statement assigning responsibility for an incident. This will be determined following an internal investigation or in more serious cases by insurance adjusters and legal counsel. Faculty and staff are expected to cooperate fully with such investigations.
- 9.00 Only the Risk and Insurance Analyst, Assistant Treasurer, AVP Financial Planning and Operations or the Vice- President Finance and Operations is authorized to place liability insurance on behalf of the University.

## **AUTHORITIES AND OFFICERS**

- i) Approving Authority: Vice President Finance and Operations
- ii) Designated Executive Officer: Vice-President Finance and Operations
- iii) Procedural Authority: Vice President Finance and Operations
- iv) Procedural Officer: AVP Financial Planning and Operations

## **RELATED POLICIES AND DOCUMENTS**

[Environmental Health and Safety Policy \(SS9200\)](#)

[Risk Management Policy \(GV0225\)](#)

[Fieldwork and International Travel Risk Management Policy \(AD2210\)](#)

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