



UNIVERSITY OF GUAM
UNIBETSEDAT GUAHAN
BOARD OF REGENTS

RESOLUTION NO. 16-22

RELATIVE TO ADOPTING THE UNIVERSITY OF GUAM RISK RETENTION POLICY

WHEREAS, the University of Guam (UOG) is the primary U.S. Land Grant institution accredited by the Western Association of Schools and Colleges (WASC) serving the post-secondary needs of the people of Guam and the region; and

WHEREAS, UOG governance and well-being is vested in the Board of Regents (BOR); and

WHEREAS, UOG follows a best practice of maintaining a variety of insurance coverage in order to protect UOG assets and interests; and

WHEREAS, approximately ten years ago, UOG joined a risk retention group managed by United Educators – a group that was created specifically to meet the needs of Colleges and Universities and has over 1,300 members; and

WHEREAS, the coverage obtained from United Educators is for general liability coverage, umbrella liability coverage, Educators Liability coverage, and Licensed Professional Liability coverage; and

WHEREAS, UOG has attempted to find alternative providers of these coverages for the last 10 years, however, there has not been any insurance provider who has been able to compete with United Educators on price or product due partially to the capital account with United Educators and the annual dividend paid; and

WHEREAS, UOG desires approval to continue its membership in the United Educators Risk Retention Pool on a long term basis and has developed a draft Risk Retention Policy for UOG; and

WHEREAS, the Administration and the Budget, Finance, Investments and Audit Committee have reviewed and recommend the draft Risk Retention Policy to the BOR for approval.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents hereby authorizes the adoption of the attached Risk Retention Policy for the University of Guam.

Adopted this 21st day of April, 2016.



Antoinette D. Sanford, Chairperson

ATTESTED:



Dr. Robert A. Underwood, Executive Secretary

University of Guam

Risk Retention Policy

April 2016

United Educators is a risk retention group that specializes in higher education insurance. There are more than 1,300 education groups that are participating in the risk retention pool for the purpose of mitigating certain types of liability faced by education institutions, especially higher education institutions. The University of Guam has engaged in the risk retention pool of United Educators for a period of approximately 10 years. The coverages held are:

- General Liability
- Excess Liability
- Educator's Liability
- Licensed Professional Liability

The University has been bidding out these policies on a regular basis for the last 10 years and has not found any other provider of insurance comparable to that provided by United Educators. United Educators is established as a reciprocal risk retention group which allows an account to be established in the name of each institution participating as a member. For every year in which UOG has participated a share of earnings has been placed into the account of UOG. Additionally, a dividend of an approximate amount between \$10-15,000 is received every year. The accumulated capital in the UOG account with United Educators now exceeds \$480,000. These factors make it impossible for any standard liability policies to compete with United Educators.

Therefore, the University of Guam will continue its membership in the United Educators Risk Retention pool for the foreseeable future. As members of the pool, it would be inappropriate for UOG to continue to solicit bids from the insurance market on Guam. The UOG risk manager will test the market every three to five years to ensure there are no significant changes affecting UOG's membership in the pool on a going forward basis and to confirm there are no superior insurance products available to the University that would be indicative of a need to move away from the United Educators pool.