

24.01 Risk Management

Revised [November 9, 2023](#) (MO -2023)
Next Scheduled Review: November 9, 2028
Click to view [Revision History](#).



Policy Summary

The Texas A&M University System (system) is exposed to a multitude of risks related to the operations, activities and endeavors of its members. These risks can come in the form of potential loss of property, financial liability and reputational risks. System Risk Management supports the system's strategic mission and goals by identifying, analyzing, controlling and, when appropriate, financing these risks. This is accomplished through insurance procurement, administration of the system's self-insurance programs, developing and maintaining a standard for the protection of minors on campus, as well as implementing and overseeing Enterprise Risk Management systemwide.

Policy

1. GENERAL

- 1.1 This policy outlines the responsibilities and business processes of System Risk Management.
- 1.2 System Risk Management serves as a partner and risk advisor to the system and its members to empower them to understand the implications in making decisions to self-retain, mitigate, transfer, or eliminate the impact of risk.
- 1.3 System Risk Management prepares and submits an annual report on the system's risk management programs to the Board of Regents (board), chancellor and member chief executive officers.

2. RISK MANAGEMENT

- 2.1 System Risk Management encourages a review of all member contracts to determine the risks associated with the performance of the contract by outside parties. Insurance recommendations are provided to insert suggested language into the contract to better protect the interests of the system and its members.
- 2.2 System Risk Management reviews contractual insurance contracts entered by the system and/or its members and works with the Office of General Counsel to determine the appropriateness of such contracts.

- 2.3 A systemwide standard and protocol is established and maintained by System Risk Management for all Camps and Programs for minors sponsored and operated by the system and its members, as well as third-party programs using member facilities.
- 2.4 Each member can submit a Risk Assessment Matrix to System Risk Management for the evaluation and assessment of risks involved with a specific activity or endeavor. The assessment uncovers possible vulnerabilities, the estimated cost of recovery in the event of damage, and any mitigating risk strategies. Based on the risk tolerance level determined, risk transfer options can be evaluated.

System Risk Management reviews and provides risk assessments for all international travel to locations that are considered extreme risk.

- 2.5 System Risk Management provides ethical claims administration of the system's self-insured Workers' Compensation, Auto Liability, and Medical Malpractice plans. It also liaises with third-party administrators, brokers and carriers of commercially procured insurance policy claims departments to advocate for the best financial outcome for the system and its members.

System Risk Management may also handle the procurement and administration of systemwide Risk Management Information System software solutions.

3. RISK TRANSFER

System Risk Management works to establish uniform risk transfer strategies in addressing the risks faced by the system. These risk transfer programs provide effective ways to transfer risks to minimize the financial and reputational impact on members. These programs include, but are not limited to, System Self-Insured Auto Plan, System Self-Insured Workers Compensation Plan and other policies procured through commercial insurance companies.

4. ENTERPRISE RISK MANAGEMENT

- 4.1 Enterprise Risk Management (ERM) is the system's comprehensive program to identify and proactively manage/mitigate real and potential threats, as well as opportunities, that may affect the system and/or its members' strategic missions, goals or objectives.
- 4.2 ERM cultivates a culture of risk management across the system where risk tolerance is considered at every level of decision-making, from strategic development and implementation of the system's missions and objectives, to individual member departments' everyday operations.
- 4.3 ERM illuminates risks that are interrelated across the system and facilitates effective mitigation strategies of these interrelated risks. Risk Management, at the system and/or member level, is positioned to identify and proactively realize opportunities for growth, improved efficiencies, risk reduction or avoidance, and in some cases, increased risk tolerance.
- 4.4 To ensure the success of this program, members and the System Offices conduct the ERM evaluation on an annual basis, per System Regulation *16.01.01, Ethics and Compliance Programs*, providing the report to System Risk Management for review. System Risk

Management evaluates the reports from members and provides an executive summary to the chancellor.

Related Statutes, Policies, or Requirements

[Tex. Educ. Code § 51.966](#)

[Tex. Lab. Code, Ch. 502](#)

[Texas Tort Claims Act, Tex. Civ. Prac. & Rem. Code, Ch. 101](#)

[System Regulation 24.01.02, Risk Transfer](#)

[System Regulation 24.01.06, Programs for Minors](#)

Member Rule Requirements

A rule is not required to supplement this policy.

Contact Office

Risk Management
(979) 458-6330