



Policy

Policy Name	<i>Comprehensive Insurance</i>		
Policy #	13.0	Category	Finance and Operations
Policy Owner	VP Administration and Chief Financial Officer	Effective Date	September 18, 2024
Policy Lead	Associate Vice President Finance and Corporate Services	Next Review Date	September 18, 2029
Approved by	Executive Management Committee	Approval Date	September 18, 2024

1.0 Policy Statement

Insurance is used as a risk financial transfer technique under the Enterprise Risk Management program. Insurance is to be the funder of last resort in the unfortunate scenario of a loss. This policy will ensure that NAIT maintains a healthy financial outcome, considering claims and loss prevention.

2.0 Scope

This policy applies to all NAIT employees and will align NAIT processes to industry best practices and support the future development of policies, procedures, and processes within an insurance management system.

3.0 Definitions

Term	Definition
Catastrophic Loss	A severe event that results in losses that are larger than usual and may constitute the loss of a critical business function up to and including the loss of campus operation or facility.
Claim	The resulting action from an incident or occurrence that leads NAIT to undertake one of the following: <ul style="list-style-type: none">• Compensate the affected business unit for a loss under NAIT's organizational insurance deductible or if the decision has been made to pay for the loss using NAIT/department operational funds.• If the loss exceeds NAIT's deductible amount, compensate the business unit or NAIT by exercising NAIT's rights under an insurance policy.
Financial Transfer	This means transferring financial burdens caused by a loss to another party.
Indemnification	(1) In policies written on an indemnification basis, the insurer reimburses the insured for claims and claim costs already paid by the

Term	Definition
	<p>insured. Technically, the insured must not only suffer a loss but must also pay the loss before being indemnified by the insurer.</p> <p>(2) The agreement of one party to assume financial responsibility for the liability of another party. Hold harmless agreements are typically used to impose this transfer of risk.</p>
Insurable	Capable of, or appropriate for being insured against loss, damage, or death. The party has met all requirements for the insurer to accept them as a risk.
Liabilities	Something that is owed to or obligated to someone else
Loss	The detrimental effect or disadvantage results from being deprived of a resource or a right to participate in an opportunity that would legitimately benefit NAIT.
Loss Prevention	A risk management technique that seeks to reduce the possibility that a loss will occur and reduce the severity of those that do occur.
Negligence	A tort involving failure to use a degree of care is considered reasonable under a given set of circumstances. Acts of either omission or commission, or both, may constitute negligence. The four elements of negligence are a duty owed to a plaintiff, a breach of that duty by the defendant, proximate cause, and an injury or damage suffered by the plaintiff.
Non-Insurable	A condition that poses an unknowable or unacceptable risk of loss or a situation.
Self-Insurance	A system whereby NAIT sets aside an amount of its monies (through multiple means) to provide for any losses that occur—losses that could ordinarily be covered under an insurance program. Self-insurance is a means of capturing the cash flow benefits of unpaid loss reserves. It involves a formal decision to retain risk rather than insure it and is distinguished from noninsurance or retention of risks through deductibles by a formalized plan or system to pay losses as they occur.
Third-Party	Someone other than NAIT (including employees, volunteers, and board members) and NAIT's insurer.
Subrogation	The assignment to an insurer by terms of the policy or by law, after payment of a loss, of the insured's rights to recover the amount of the loss from one legally liable for it.

4.0 Guiding Principles

4.1 Insurance

- 4.1.1** To support the financial cost of defending legal actions, paying settlements, and paying for damage to assets and fraud, NAIT maintains on behalf of itself, its officers, employees, volunteers and certain other named insureds, Comprehensive General Liability, Errors and Omissions, Property, Automobile, and other insurance policies. These policies contain specific exclusions requiring NAIT to carry the risk of exposures such as contract liability, wrongful dismissal, pollution (other than sudden and accidental), etc. In consideration for defence and indemnification, NAIT and its insurer shall be permitted by the employee to reduce contributions to defence and indemnity settlements by calling on other insurers who have insured the same risk to contribute and provide reimbursement from other wrongdoers by way of exercising legal rights to subrogation.
- 4.1.2** NAIT's liability insurance does not defend and indemnify against third-party claims from using privately owned vehicles used on NAIT business. This coverage is the owner's and driver's responsibility.
- 4.1.3** The responsibility of placing insurance on behalf of NAIT is delegated to Finance and Corporate Services.

4.2 Claims Management

- 4.2.1** NAIT will implement a claims management program to manage insurable and non-insurable claims, guide the employees' actions if a loss event has occurred and endeavour to reduce the adverse financial outcomes experienced by claims by reducing the number of claims and the costs associated with the claims.
- 4.2.2** Claims management will ensure fair, prompt, and efficient claims handling while maintaining transparency and accountability. The following principles will guide the implementation and administration of this process:
 - 4.2.2.1** Fairness: All claims will be evaluated considering the facts, evidence, and applicable insurance coverage.
 - 4.2.2.2** Timeliness: Claims will be processed promptly and efficiently, focusing on minimizing delays and providing timely communication to claimants.
 - 4.2.2.3** Transparency: The NAIT Community will be informed about the claims process, including the required documentation, investigation procedures, and the factors considered in claim decisions.
 - 4.2.2.4** Compliance: The institute will adhere to all relevant laws, regulations, and contractual obligations regarding insurance claims, ensuring compliance throughout the claims handling process.
 - 4.2.2.5** Collaboration: Claimants and the institute will work together in good faith to provide the necessary information and documentation to facilitate fair and efficient claims processing.

4.3 Loss Prevention

4.3.1 NAIT is proactive in its approach to losses and, by doing so, will ensure a Loss Prevention Program is in place to prevent avoidable losses.

4.3.2 The Loss Prevention Program will include responding to potential losses by recommending corrective actions to the department. Failure to abide by disciplinary actions from a Loss Prevention report may constitute further performance management of the responsible department.

5.0 Other Related Documents

5.1 RM 4.0 Enterprise Risk Management Policy

5.2 FO 12.0 Loss Control Policy

5.3 FO 12.1 Loss Investigation and Reporting Procedure

5.4 FO 13.1 Claims Reporting Procedure

Document History

<i>Date</i>	<i>Action/ Change</i>
November 22, 2024	A minor revision reflects the recent restructuring of the Risk & Insurance department under Finance and Corporate Services. The Policy Lead has changed from Executive Director of RMS to Associate Vice President of FCS, and section 4.1.3 has been updated accordingly.