Enterprise Risk Management

Stewardship Report 2017

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Arunkumar Muthusamy, Graduate
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Message from the Chief Risk Officer</td>
<td>2</td>
</tr>
<tr>
<td>Department Overview</td>
<td>3</td>
</tr>
<tr>
<td>Total Cost of Risk</td>
<td>6</td>
</tr>
<tr>
<td>Insurance Program</td>
<td>11</td>
</tr>
<tr>
<td>UC Health and UC Physicians, Inc</td>
<td>12</td>
</tr>
<tr>
<td>UC Loss History and Claims</td>
<td>13</td>
</tr>
<tr>
<td>ERM Program</td>
<td>16</td>
</tr>
<tr>
<td>Year at a Glance</td>
<td>20</td>
</tr>
<tr>
<td>A Look Ahead</td>
<td>22</td>
</tr>
<tr>
<td>Contact Us</td>
<td>24</td>
</tr>
</tbody>
</table>
A Message from the Chief Risk Officer

The University of Cincinnati is a major research institution of higher education, home to 45,000 students, nearly 10,000 faculty and staff and tens of thousands of visitors and guests annually. Operations include utilities, police, housing ranging from high-rise student dormitories to apartments, academic and sports venues, multi-use facilities, media communications, restaurants and dining facilities—all connected to our core mission of education, research and community engagement. In fact, when I describe the University of Cincinnati I often liken it to a city near the urban heartbeat of the city of Cincinnati. UC has most of the attendant risks found in a city, in addition to some concerns specific to higher education.

As a start, UC’s Department of Enterprise Risk Management contributes to the university’s success and mission through the efficient use of resources to manage the property and casualty risks inherent in the university’s activities and operations. That is risk management in its most traditional sense. Optimizing risk finance decisions remains core to risk management’s performance. But in the face of many risk-impacting events, followed by resulting regulations and awareness, organizations are now forced to deal with multiple overlapping situations at once. As a result, the last two decades have seen risk management evolve.

Our university places a priority on understanding this evolution by managing its risks and opportunities to its planned advantage through the continued development and expansion of the enterprise risk management (ERM) program. Our program is designed to enhance the university’s ability to achieve its mission, vision, and strategic direction, strengthen its competitive position and gain strategic advantage in the increasingly competitive higher education environment. We do this by promoting a university-wide culture of risk and opportunity awareness and providing a structured, consistent, and continuous process that includes collaborating with risk owners to proactively identify, assess, decide on responses to, and report on strategic, human capital, compliance, operational, financial, reputational and hazard-related exposures to senior management and the Board of Trustees. These exposures include “risks” that might hinder UC’s progress in its mission and Strategic Direction Platforms and Pathways, as well as opportunities that could propel strategies and goals forward.

Technology and digitization are proving to be game changers—with IT security taking over the top spot in terms of risk of greatest concern. On the whole, the focus on core risks remains very similar to what it was even 25 years ago when I first entered higher education risk management: alcohol, assault, athletics and automobiles. These were known as the “4 A’s” of higher education risk management, a phrase coined by United Educators Insurance. The difference in the current climate is that innovation is encouraged and opportunities to anticipate and mitigate risk abound at the academy, constrained only by limited resources and an imperfect understanding of the unavoidable risk-reward tradeoffs in virtually every successful endeavor.

In this next year, UC’s ERM framework will focus on providing tools to assist senior management and the Board in terms of sophistication about and application of risk appetite and risk tolerance, and their interplay with the “Next Lives Here” strategic direction. Fortunately, ERM is best cultivated directly within the context of the organization’s existing policies, programs, management processes and culture. We hope this report will assist our stakeholders in their efforts to understand and evaluate the current state and value-offering of the Department of Enterprise Risk Management and UC’s ERM program.

With your continued support we can build a risk-aware culture at the University of Cincinnati through teamwork, creativity and innovation.

Sincerely,

Anita Ingram
Chief Risk Officer
# Department Overview

## 2018 Strategic Map

**Values:** We support the strategic direction of the University of Cincinnati. We act with integrity, respect, foster transparent communication, and encourage diverse viewpoints and collaboration. Together with our stakeholders, we are accountable to pursue strategic opportunities and find cost-effective solutions that drive continuous improvement.

**Mission:** We support the University of Cincinnati by promoting a risk-aware culture. Through proactive risk consultation, universal risk assessment and the selection of optimal risk finance options, we enable the university to evaluate risks as an interrelated portfolio and embrace appropriate risks and opportunities across the enterprise.

## Strategic Priorities

**Academic Excellence** I. Advance Enterprise Risk Management discipline in support of university objectives.

**Urban Impact** II. Strengthen partnerships with UC Health, UC Physicians (UCP) and other key stakeholders.

**Innovation Agenda** III. Perform traditional and advanced risk management and insurance activities.

**Innovation Agenda** IV. Increase internal office efficiencies and maximize overall value to the university.

## Metrics (KPI & KRI)

**Increase Maturity & Overall Effectiveness of UC’s Enterprise Risk Management (ERM) Program**

- Take actionable steps to improve UC’s Risk Maturity Score (KPI) from ‘ad hoc’ to ‘repeatable’ by 2019
- Develop UC’s Risk Appetite Statement and Risk Tolerance Statement(s) by Winter 2018
- Finalize development and adoption of ERM Policy and Framework by Summer 2018

**Demonstrate Value of the Department of ERM’s Service Provision to UC, UCP, UC Health and Key Stakeholders**

- Annually measure, manage and benchmark UC’s Total Cost of Risk (TCOR) (KRI)
- Complete Phase II deployment of Governance & Regulatory Compliance (GRC)/Risk Mgmt. (RMIS) software by Fall 2018
- Effectively manage and resolve medical professional liability claims within the self-insured retention

**Execute the Long-Term ERM Communications Plan and Integrate Risk Management into UC’s Business Model**

- Deploy ‘Annual Risk Awareness Survey’ each November and report results annually
- Develop annual Stewardship Report each Spring and issue management and Board of Trustee reports for UC, UC Health, and UCP, as requested
- Issue top-level internal management reports on ERM and property & casualty claims in Fall 2018

**Provide Proactive, Effective, Value-Added Risk Consultation Services**

- Respond to faculty/staff/student risk management and insurance inquiries within two (2) business days, where practical
- Identify and collaborate with key campus stakeholders on (2-3) key loss control projects in FY19
- Provide 24/7 on-call medical-legal expertise to UCMC and UCP

**Administer UC’s Risk Finance, Total Loss Control, and Claims Management Program**

- Respond to faculty/staff/student risk management and insurance inquiries within two (2) business days, where practical
- Identify and collaborate with key campus stakeholders on (2-3) key loss control projects in FY19
- Provide 24/7 on-call medical-legal expertise to UCMC and UCP
- Investigate and expeditiously resolve claims and optimize risk finance program opportunities in accordance with industry best practices
- Create and advance partnerships with industry, UC colleges, and Lindner Insurance & Risk Mgmt.
- Deliver 1,100 training man-hours (in-person and computer-based) by Winter 2018
Organization

Under the leadership of Anita Ingram, Assistant Vice President and Chief Risk Officer, the UC Department of Enterprise Risk Management implements and monitors the day-to-day activities and operations of the UC property and casualty, enterprise risk management (ERM), and medical malpractice programs for UC Physicians, Inc. (UCP) and UC Medical Center. Lori Ross, Vice President and General Counsel, has oversight responsibility for the department.

In July 2017, we hired Valencia Williams as ERM’s financial administrator and IT coordinator. Valencia first came to the department in 2015 as a temporary employee. She later contributed as an independent contractor, focusing on the implementation of Riskonnect, our enterprise risk management information system that also houses our risk register in the GRC (Governance, Risk Management and Compliance) module. Last September, senior claims analyst Warren Meilicke accepted a position with UC Public Safety in Emergency Management and Business Continuity. While reluctant to see Warren leave ERM, we were pleased to know he stayed within the UC family and fulfilled an important role in Business Continuity. We recently hired Rebecca Mitchell to fill the vacancy. Rebecca is an experienced claims analyst having managed claims operations for Cincinnati Metro over the past 10 years. We look forward to the fresh energy and special expertise Rebecca will add to our team.

ERM supports UC’s strategic direction and helps fulfill the Bearcat Promise and Co-Op 2.0 pathways through the provision of student internship positions. For the second year in a row, our office partnered with leadership in the Lindner College of Business Insurance & Risk Management program. In FY18, we supported a full-time paid summer intern and a part-time intern for the academic year. As an important side note, our summer intern was concurrently employed at the Inter-University Council Insurance Consortium (IUC-IC). This was the first year such a unique opportunity and partnership was available with our 13-member public university consortium. The dual internship was so successful that the IUC-IC highlighted it among their successful initiatives in a report to the Governor of Ohio, and various member schools expressed interest in starting their own dual internship programs in FY19. We put great forethought into the immersion of our interns into university insurance and risk management experience. They are involved in nearly every aspect of our operations: professional liability, casualty claims management, loss control, broker and insurer relationships, financial analysis, and development of key risk and performance indicators and the myriad of risk management situations we encounter every day. ERM interns leave not only understanding foundational concepts such as cost of risk but having received real-world hands-on experience actually measuring it for a complex university. What’s more, they now understand how to approach and measure this for complex organizations in any industry. This level of practical experience and developed expertise makes our students more engaged employees in the workplace and more valuable to their future employers. We would like to thank this year’s outstanding ERM interns for their contributions to our team:

- LeeAnn Wesley, Insurance & Risk Management and Finance major, 2018
- Alyse Weinstein, Insurance & Risk Management and Finance major, 2019
ERM Staff (l–r):
Anita Ingram, Chief Risk Officer
Rebecca Mitchell, Senior Claims Analyst
Amanda Bill, Communications Coordinator
Jean Miller, Insurance Analyst
Alyse Weinstein, ERM Intern
Valencia Williams, Financial Administrator
Kaz Scrivens, Director
Todd Beekley, Senior Associate Director
Total Cost of Risk

Naturally, a focus of senior administration is on fiscal responsibility, improving efficiencies and driving down total costs. This includes looking to the risk management program to identify areas for cost savings and managing the total cost of risk (TCOR). ERM has implemented a system to track UC’s TCOR, enabling a year-on-year internal comparison, identification of significant variances and external benchmarking. The institution is best served when its risk exposures are identified, assessed, and managed using effective loss treatment and mitigation, and being able to handle any loss it does sustain in an efficient manner. This reflects favorably on both insurance premiums and losses, as insurers look for robust risk management programs when negotiating costs. ERM takes a metric-driven approach designed to help identify opportunities to decrease cost in UC’s property and casualty risk programs. Total cost of risk in its simplest form includes property and casualty insurance costs plus out-of-pocket claims/loss expenses and administration costs. TCOR is commonly mentioned as a single amount comprised of the sum of these components and can be illustrated as:

![Total Cost of Risk Diagram]

UC’s TCOR results for the past three years are summarized in this table:

<table>
<thead>
<tr>
<th>University of Cincinnati</th>
<th>Total Cost of Risk (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15 (2015)</td>
<td>$4.42</td>
</tr>
<tr>
<td>FY16 (2016)*</td>
<td>$5.18</td>
</tr>
<tr>
<td>FY17 (2017)</td>
<td>$4.46</td>
</tr>
</tbody>
</table>

*The significant decrease in TCOR from 2016 to 2017 is attributable to lower property and casualty premiums, and lower administrative costs.

UC and Industry Total Cost of Risk

We consider TCOR a key performance indicator (KPI). A KPI is a measure of how well something is being done (whereas a key risk indicator, KRI, can provide early warning regarding an increased risk exposure). KPIs can help answer the question “What evidence is there that we are a success?” TCOR is a lag indicator, meaning it is a measure of what has already occurred rather than a predictor of what will come. UC’s TCOR results are summarized in the table above.

To evaluate the success of our risk finance and loss control program it is essential to measure and then benchmark the university’s TCOR year-over-year against itself as well as against external peer data. The Risk Management Society’s (RIMS) Benchmark Survey annually tracks TCOR among 14 major industries. In 2016, the most recent year for which TCOR data is available, the education industry (which includes K-12 as well as for-profit institutions) had the fifth highest TCOR among all industries RIMS tracked. Continuing a favorable trend for the education industry, TCOR decreased by 4% from 2015 to 2016, compared to a 3% decrease from the previous measurement period, 2014 to 2015.
Additional detail and benchmark data are provided below on UC’s 2017 total costs of risk, as presented in the RIMS Benchmark Survey, Education Industry (<=$1B Operating Revenues):

<table>
<thead>
<tr>
<th>Total Cost of Risk by Category</th>
<th>Education Industry 2017 RIMS Benchmark Survey Data</th>
<th>University of Cincinnati FY17 TCOR</th>
<th>University of Cincinnati FY16 TCOR</th>
<th>University of Cincinnati FY15 TCOR</th>
<th>TCOR Benchmark Comparisons: 2017 UC vs. 2017 RIMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>TCOR</td>
<td>$11.49</td>
<td>$4.76</td>
<td>$6.33</td>
<td>$5.11</td>
<td>Favorable</td>
</tr>
<tr>
<td>General Liability (premiums only)</td>
<td>$0.66</td>
<td>$0.13</td>
<td>$0.26</td>
<td>$0.26</td>
<td>Favorable</td>
</tr>
<tr>
<td>Auto Liability (premiums only)</td>
<td>$0.37</td>
<td>$0.15</td>
<td>$0.03</td>
<td>$0.04</td>
<td>Favorable</td>
</tr>
<tr>
<td>General Liability &amp; Auto Liability (losses only)</td>
<td>$0.85</td>
<td>$0.10</td>
<td>$0.27</td>
<td>$0.18</td>
<td>Favorable</td>
</tr>
<tr>
<td>Property Liability (premiums only)</td>
<td>$2.98</td>
<td>$0.96</td>
<td>$0.96</td>
<td>$1.00</td>
<td>Favorable</td>
</tr>
<tr>
<td>Property (losses only)</td>
<td>$0.49</td>
<td>$0.35</td>
<td>$1.12</td>
<td>$0.76</td>
<td>Favorable</td>
</tr>
<tr>
<td>Property (premium rate per $100 Total Insured Value)</td>
<td>$0.13</td>
<td>$0.02</td>
<td>$0.02</td>
<td>$0.02</td>
<td>Favorable</td>
</tr>
<tr>
<td>Educator’s Legal Liability (premiums only)</td>
<td>$0.14</td>
<td>$0.13</td>
<td>$0.13</td>
<td>$0.13</td>
<td>Favorable</td>
</tr>
<tr>
<td>Workers Comp (cost per employee)</td>
<td>$511</td>
<td>$107</td>
<td>$128</td>
<td>$50</td>
<td>Favorable</td>
</tr>
<tr>
<td>ERM Administrative Costs</td>
<td>$0.74</td>
<td>$1.46</td>
<td>$1.55</td>
<td>$1.12</td>
<td>Unfavorable</td>
</tr>
<tr>
<td>ERM Administrative Costs (after service revenues, per below)</td>
<td>$0.74</td>
<td>$0.86</td>
<td>$0.98</td>
<td>$0.79</td>
<td>Unfavorable</td>
</tr>
</tbody>
</table>

**Service Revenues**

At first glance, UC’s administrative program costs compare very unfavorably to the education benchmark. However, it is important to note that ERM is a profit and cost center. Service revenues are earned by the department through services provided to UC Medical Center and to UC Physicians, Inc. ERM participates in the management and administration of the medical malpractice program and certain other aspects of these entities’ risk management and insurance and loss control programs. A separate annual stewardship report detailing these services and ERM’s performance is provided to these stakeholders and is available upon request.

The table below summarizes the service revenues ERM earned from UC Health and UCP, Inc. from FY14 to FY17. UC Health revenues support 2.5 FTE in ERM. Fees are invoiced through Government Cost Compliance and are reflected in the university’s general fund. UCP, Inc.’s fees are direct billed by ERM to UCP practice plan groups and reflected in ERM’s private practice revenue or agency account. After reducing ERM administrative costs by service revenues the benchmark is much improved, but remains slightly unfavorable. This is due to one-time implementation costs for the new risk management information system and to non-employee compensation costs, both of which are eliminated in FY18. We expect next year’s results to be favorable.

<table>
<thead>
<tr>
<th>Services Revenues Collected</th>
<th>FY17</th>
<th>FY16</th>
<th>FY15</th>
<th>FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td>UC Health (UCMC)</td>
<td>$308,330</td>
<td>$282,872</td>
<td>$263,463</td>
<td>$313,258</td>
</tr>
<tr>
<td>UCP, Inc.</td>
<td>$208,207</td>
<td>$189,000</td>
<td>$0</td>
<td>$237,261</td>
</tr>
<tr>
<td>Total:</td>
<td>$516,537</td>
<td>$471,872</td>
<td>$263,463</td>
<td>$550,520</td>
</tr>
</tbody>
</table>

Note that $0 fees were collected from UCP, Inc. in FY15. This was due to a one-time “fee holiday” extended that year.
UC experienced an approximately $761,622 decrease in Total Cost of Risk from FY16 to FY17. Primary factors contributing to this decrease include:

- $462K, or 26% decrease, in combined property premium and property loss costs.
- $167K, or 72% decrease, in combined general liability and auto premiums and related loss cost.
UC experienced a favorable $40K, or 3%, decrease in ERM administrative costs from FY16 to FY17. Primary factors contributing to this include an $88K, or 54%, decrease in risk management information system expenses—a one-time implementation fee was included in the FY16 data—and an additional decrease of approximately $18K from reductions in other miscellaneous program expenses. These decreases were offset by a $60K, or 7%, combined increase in employee and non-employee compensation.
Figure 3: UC Total Cost of Risk—FY15 through FY17 metrics

The table below shows FY15 as the baseline and compares the baseline year to FY16 and FY17 percentage change in each category:

Noteworthy changes since FY16: employee headcount increased 6%—figures taken from FY17 UC Uniform Guidance Report, may lag by 12 months. Operating Revenue increased to $24.1M, or 3%; # of fleet autos decreased 5%, by 14 vehicles; research operating expenditures increased 8%; and total cost of risk decreased 21%. UC’s TCOR results are summarized in the table above. See last year’s report for details regarding one-time non-recurring costs included in the 2016 results. (Changes less than 1% will not reflect well on this chart due to scale.)
Insurance Program

State of Insurance Market—FY18
As 2017 got underway the global casualty insurance market was relatively stable across most property and casualty insurance lines. Risk managers enjoyed another year of competitive pricing among insurers, creating a favorable market with declining premium rates in the face of an abundant supply of capacity. While most lines remained flat or decreasing, some casualty lines such as cyber, employment practices and auto saw market increases. As always, individual account pricing hinged on current and trending global market forces leading up to the renewal, individual account loss experience and organizational risk management practices. Casualty insurance market concerns for higher education focused on employment liability, traumatic brain injury and Title IX. According to a spring 2017 article in Business Insurance, drought was identified as the biggest risk to property and cloud computing among the greatest emerging risk exposures in liability. More than ever, insurers and credit rating agencies look for organizations to have in place robust ERM programs that proactively address and manage their total risk portfolio, and demonstrate aptitude in the management of institutional risk tolerance. On the heels of finalizing UC’s property program for fiscal year beginning July 1, 2017, a previously mild hurricane season suddenly turned violent, marking the first time in almost a decade that three hurricanes—Irma, Harvey and Nate—made landfall in the mainland United States. On September 20, Hurricane Maria, a powerful Category 4 with 150 mph winds, made direct landfall on Puerto Rico, wrecking huge portions of the island’s core infrastructure and leaving behind a humanitarian disaster. The year’s record-breaking Atlantic hurricane season is now the most expensive hurricane season in history and among the most intense on record. It saw 17 named storms—including 10 hurricanes, six of which reached major intensities of Category 3 or above—and generated the most cumulative wind and storm surge force since 2005. Hundreds of lives were lost and hundreds of billions of dollars are still needed for recovery efforts. In spite of these catastrophes, our brokers at Marsh report the property insurance market remains strong, with plenty of excess capital and capacity to absorb losses. All other things being equal, insureds with good risk profiles should find the insurance market competitive in the next renewal cycle.

FY18 Insurance Program Highlights
There remains heightened concern among liability insurers regarding severe Traumatic Brain Injury (TBI) and the potential for class action lawsuits against the NCAA and individual schools. AIG, a major player in the global liability marketplace, placed a TBI exclusion in their coverage form. Division I-II schools with significant athletics, and possibly even intramural and club sport programs, will likely exclude AIG for casualty placement. While UC’s primary and excess liability carriers have not taken such drastic measures, they take extra care in the underwriting process to ensure insureds have in place effective risk management programs to address this exposure. UC continues to absorb residual impact from civil matters related to the July 2015 officer-involved shooting in its casualty insurance program. We are particularly mindful of our underwriters’ concerns regarding law enforcement exposure and proactively address them in the underwriting submission by providing detailed information about UC’s reform efforts. The property market continues to trend favorably for the highly protected risk (HPR) and HPR-like risk found on most college campuses. UC also benefits from its membership in the Inter-University Council Insurance Consortium (IUC-IC) and leverages its bargaining power. The IUC-IC, in partnership with Marsh brokers, aggressively marketed the group’s property account, resulting in favorable coverage terms and conditions. Additional highlights of the FY18 property and casualty insurance program renewal are as follows:
• Property program rate reduction of 31.94%, from 0.01775 to 0.01208, per hundred of total insured value
• AIG was partnered with Zurich on multi-year quota share property program, expiring July 1, 2020; rate is subject to maximum loss ratio and annual values reporting
• Paragon replaced by AIG for in-house engineering
• Phase III property appraisals completed ~50 additional buildings
• Dividend payment received from United Educator’s for $9,258
• Ancillary coverages placed on a long-term policy and premiums paid in advance: foreign liability expires June 30, 2018; special accident and pollution liability expire June 30, 2019
• IUC-IC pool coverage for registered student organizations and club sports via the casualty self-insurance pool; mandates Greek organizations’ national coverage as primary
• Crime/Fidelity coverage moved to Travelers (from AIG); social engineering fraud limit increased to $1 Million
UC Health and UC Physicians, Inc.

In accordance with the shared service agreement between University of Cincinnati and UC Health (formerly Health Alliance of Greater Cincinnati), the UC Department of Enterprise Risk Management is responsible for providing risk management, consulting and legal services for property, general liability and medical professional liability matters for the University of Cincinnati Medical Center (UCMC).

In support of the College of Medicine, faculty physicians engage in research, teaching and clinical activities. Along with the benefits these activities represent in terms of the university’s mission, including educational and research opportunities, patient care/community service and faculty development, these activities also carry the risk of third-party liability. UC Department of Enterprise Risk Management provides medical professional liability risk management and legal services to the UC College of Medicine and to UCP, and by contract to UC Health and the University of Cincinnati Medical Center (UCMC).

University of Cincinnati and UC Health each maintain separate self-insurance programs for professional medical malpractice and general liability. In our role we provide underwriting support, legal and claims management services, secure professional actuarial analysis of the trust fund, risk management expertise, as well as practice plan billing, insurance certificates, and related services. Due to favorable loss experience in Trust Fund X, the successful handling of professional liability claims, and good management of the commercial excess liability program, the self-insurance trust has grown to more than $24.5M, and is funded at the 80% confidence level.

In 2017, the UC Department of ERM:

- Continued with the management and placement of UCP’s insurance program, including other states workers’ compensation, employer’s liability, directors’ and officers’ liability and medical professional liability;
- Scheduled and met with department chairs, faculty and UCMC residents to educate them about UCP’s insurance and risk management program, claims management and risk mitigation and treatment strategies;
- Counseled physicians, nurses and others on medical legal issues;
- Verified coverage, provided quarterly claim reports and claims history letters for current and former physicians and residents;
- Worked closely with UCMC and UC Health on a myriad of patient safety and satisfaction issues, including impromptu patient care SWARMS, system wide review of safety events and other privileged peer review situations as requested;
- Participated as standing and ad hoc members on multiple and various UC Health and UCP committees and teams, including the UCP Risk & Compliance Committee of the UCP Board and UC Health Patient Relations Complaint and Patient Safety Committees;
- Managed the investigation, review and disposition of all UCMC property claims >$10,000, and all patient property claims;
- Managed medical professional liability claims for UC, UC Medical Center and UC Physicians (see Figure 6);
- Coordinated coverage for employment liability claims for UC Physicians.
UC Loss History and Claims

Loss history data is central to forecasting the ultimate value of claims and to the determination of how future losses can be mitigated or prevented altogether. Losses are a primary component of total cost of risk (TCOR) and provide a basis to evaluate the success of the university’s loss control efforts. Effective claims management can help lower both the amount and frequency of losses and minimize disruption to the university’s mission. ERM has limited loss control funds available for university loss control initiatives. If your department would like to collaborate on a loss control project contact us or submit your ideas at ERM@UC.EDU.

The tables below provide three years of claim history on property and casualty coverages with the highest frequency and/or severity at UC. There may be outstanding reserves and financial activity on claims from previous fiscal years, as well as other coverage types with little to no activity in the past year that are not included in this year’s report.

(Note: A reference to the description of the claims terms used in the Figures below is provided at the end of this report.)

Figure 8: UC Educator’s Legal Liability/D&O—Claims History

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>UC Paid</th>
<th>Insurance Paid</th>
<th>Expense</th>
<th>Loss Penalty</th>
<th>Reserve</th>
<th>Total Incurred</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15</td>
<td>$296,666</td>
<td>$57,414</td>
<td>$137,255</td>
<td>$–</td>
<td>$–</td>
<td>$491,336</td>
</tr>
<tr>
<td>FY16</td>
<td>$72,538</td>
<td>$–</td>
<td>$76,075</td>
<td>$1,300</td>
<td>$489,528</td>
<td>$639,441</td>
</tr>
<tr>
<td>FY17</td>
<td>$107,500</td>
<td>$–</td>
<td>$150,798</td>
<td>$44,622</td>
<td>$201,424</td>
<td>$504,344</td>
</tr>
</tbody>
</table>

FY16 data includes the large loss related to the officer-involved shooting and subsequent settlement of the civil matter.

Figure 8.1: UC Educator’s Legal Liability/D&O—# of Claims and Total Incurred Losses

Figure 9: UC General Liability—Claims History

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>UC Paid</th>
<th>Insurance Paid</th>
<th>Expense</th>
<th>Loss Penalty</th>
<th>Reserve</th>
<th>Total Incurred</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15</td>
<td>$22,047</td>
<td>$–</td>
<td>$1,020</td>
<td>$45,000</td>
<td>$–</td>
<td>$68,067</td>
</tr>
<tr>
<td>FY16</td>
<td>$109,011</td>
<td>$5,147,834</td>
<td>$402,693</td>
<td>$45,000</td>
<td>$–</td>
<td>$5,704,538</td>
</tr>
<tr>
<td>FY17</td>
<td>$1,131</td>
<td>$–</td>
<td>$71</td>
<td>$35,834</td>
<td>$21,000</td>
<td>$58,036</td>
</tr>
</tbody>
</table>
Figure 9.1: UC General Liability Claims—# of Claims and Total Incurred Losses

![General Liability Claims Graph](image)

Figure 10: UC Auto Liability & Auto Physical Damage—Claims History

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>UC Paid</th>
<th>Insurance Paid</th>
<th>Expense</th>
<th>Loss Penalty</th>
<th>Reserve</th>
<th>Total Incurred</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15</td>
<td>$16,822</td>
<td>$27,047</td>
<td>$14,136</td>
<td>$-</td>
<td>$-</td>
<td>$58,005</td>
</tr>
<tr>
<td>FY16</td>
<td>$57,520</td>
<td>$24,769</td>
<td>$12,443</td>
<td>$-</td>
<td>$24,287</td>
<td>$119,019</td>
</tr>
<tr>
<td>FY17</td>
<td>$45,947</td>
<td>$41,503</td>
<td>$13,604</td>
<td>$-</td>
<td>$58,500</td>
<td>$159,554</td>
</tr>
</tbody>
</table>

Figure 10.1: UC Auto Liability & Auto Physical Damage—# of Claims and Total Incurred Losses

![Auto Liability & Auto Physical Damage Graph](image)

Figure 11: UC Property—Claims History

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>UC Paid</th>
<th>Insurance Paid</th>
<th>Expense</th>
<th>Loss Penalty</th>
<th>Reserve</th>
<th>Total Incurred</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15</td>
<td>$531,305</td>
<td>$473,196</td>
<td>$-</td>
<td>$75,241</td>
<td>$-</td>
<td>$1,079,742</td>
</tr>
<tr>
<td>FY16</td>
<td>$219,882</td>
<td>$696,488</td>
<td>$-</td>
<td>$44,416</td>
<td>$5,000</td>
<td>$965,786</td>
</tr>
<tr>
<td>FY17</td>
<td>$251,879</td>
<td>$150,248</td>
<td>$-</td>
<td>$43,360</td>
<td>$221,754</td>
<td>$667,242</td>
</tr>
</tbody>
</table>
Property Appraisal

Annually, ERM assists with the coordination of an insurer issued loss control survey to assist with a comprehensive review of UC’s buildings, grounds, and associated activities. This survey improves both our understanding of the university’s physical assets and how to protect them, as well as helps us work with stakeholders to improve our loss control and risk reduction efforts. Begun in 2015, our property carrier completed the final phase of appraisals of the university’s insured property portfolio in 2017. During this weeklong visit our property insurance carrier appraised over 50 buildings and structures across Uptown, as well as the regional campuses. Both endeavors involved engagement across multiple departments including Facilities Management, Fire Safety, Environmental Health and Safety, and Utilities. We extend our sincere thanks for all of the time and effort our partners contributed to the success of the appraisal project. A more accurate assessment of property values will ensure premium charges reflect current replacement cost valuations.

Subrogation and Other Insurance Recovery

In layman terms, subrogation occurs when UC or one of UC’s insurers pays for a loss caused by a third party. Either UC or its insurance company then “subrogates”—or steps into the shoes of the insured—to pursue that third party for the amount of loss suffered by the insured. When monies are recovered, it reduces the amount of the total incurred costs of the claim. In this context, ERM will pursue 3rd parties at fault for damages sustained to university vehicles and property, and where successful, reimburse internal stakeholders. UC’s third-party administrator and ERM aggressively pursue subrogation, where available. Our successful results are reflected below.
ERM Program

UC’s formal Enterprise Risk Management program is spearheaded by the Chief Risk Officer in collaboration with Internal Audit. UC’s ERM program is designed to use existing management processes, reporting and approval channels, and organizational structures; to be linked to operational plans and strategic direction platforms and pathways, and budgeting; to build on the university’s current risk management activities and practices; and to create a more risk-aware culture. At the time of this report, the program is at the end of its third year. Continued and steady forward progress has been made. Key to the program’s continued success is strong engagement with our president, provost, senior administrators and other key leadership from across the campus involved in ERM governance. ERM committees and governance structure help to identify risks and opportunities and manage the ERM program. Finally, the program has full Board support, the Audit & Risk Management Committee provides oversight of the university’s ERM program, and various Board committees regularly review certain key risks and their related mitigation plans. (See Figure 13).

Working under the guidance of senior leadership campus-wide are hundreds of risk owners. These individuals are at the front line—the optimal location for risk identification, assessment, mitigation and monitoring. Risk owners’ management of risks under their own purview in and of itself is nothing new. What has been introduced through the ERM process is the explicit delineation of risk mitigation and control activities, and, the cross-communication and sharing of those risks and activities beyond the risk owners’ specific department or division in a deliberate, consistent and structured manner. ERM enables the university to better understand and manage its risks and opportunities as an interrelated portfolio. Furthermore, if the risk index dimensions (i.e. likelihood, impact, direction and velocity—how quickly the impact will be felt and/or the direction of risk) are of particular significance or concern, the risk can be elevated for additional oversight to executive leadership, and potentially to the Board.

Figure 13: UC’s ERM Governance Structure
Risk identification and assessment is a continuous process. A multi-faceted approach is taken each year involving interviews; surveys; review of internal organizational strengths and weaknesses; external threats and opportunities; discussion with peers; and review of industry and news publications. In the latter part of 2017, the ERM department conducted the biennial risk scoring exercise with each of UC’s ERM governance committees. Results were compiled and shared with senior leadership yielding the following enterprise-wide index of top risks (Figure 13, left column). The opportunities index (right column) is from 2016. It will be updated as plans for the strategic direction “Next Lives Here” Pathways and Platforms are developed:

**Figure 13: Top Enterprise-wide Risks (red) and Opportunities (green) Index for FY18**

<table>
<thead>
<tr>
<th>IT Security</th>
<th>27</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Aid/Discounting</td>
<td>24</td>
</tr>
<tr>
<td>Athletics—Funding Model</td>
<td>24</td>
</tr>
<tr>
<td>Competition for Students</td>
<td>23</td>
</tr>
<tr>
<td>Title IX</td>
<td>20</td>
</tr>
<tr>
<td>Human Resources</td>
<td>19</td>
</tr>
<tr>
<td>Alcohol/Substance Abuse</td>
<td>19</td>
</tr>
<tr>
<td>Succession Planning</td>
<td>18</td>
</tr>
<tr>
<td>Higher Ed Business Model</td>
<td>18</td>
</tr>
<tr>
<td>Strategic Communications</td>
<td>18</td>
</tr>
<tr>
<td>Partner with Corporate Entities</td>
<td>25</td>
</tr>
<tr>
<td>Increase Research/Discovery</td>
<td>23</td>
</tr>
<tr>
<td>Explore New Revenue Streams</td>
<td>21</td>
</tr>
<tr>
<td>Develop Community Engagement</td>
<td>21</td>
</tr>
<tr>
<td>Tech Transfer &amp; Commercialization</td>
<td>20</td>
</tr>
<tr>
<td>Grow Enrollment via e-learning</td>
<td>19</td>
</tr>
<tr>
<td>Obtain NCI Designation</td>
<td>17</td>
</tr>
<tr>
<td>Expand Interdisciplinary Studies</td>
<td>17</td>
</tr>
</tbody>
</table>

*Opportunities Index is from 2016.

**Risk Maturity Model (RMM)**

We have come a long way! How far, you might ask? How do we measure ERM’s program effectiveness? While we use several metrics to measure our progress, in 2016 we adopted the Risk Management Society’s Risk Maturity Model (RMM), as primary lead indicator. The RMM outlines key indicators and activities that comprise a sustainable, repeatable and mature enterprise risk management (ERM) program. Scoring is based on a 5-level scale, with Level 1 indicating lowest risk maturity and a Level 5 representing highest maturity. Maturity is scored on seven core attributes, including: (1) Adoption of ERM-Based Process; (2) Risk Appetite Management; (3) ERM Process Management; (4) Root Cause Discipline; (5) Uncovering Risks; (6) Performance Management, and; (7) Business Resiliency and Sustainability. There are also 25 core competencies and underlying readiness indicators. The model yields an overall maturity score for each of the factors as well as a score for each core attribute, and provides a comprehensive report with suggestions for improvement in particular competencies. This allows us to prioritize our time and resources on improving the weakest areas.

In November 2016, we took UC’s baseline maturity score. As expected, since the program was still in its infancy, it measured at Level 1, Ad Hoc. Our focus over the past two years has included building up the following competencies:

- Business Process Definition and Risk Ownership by Business Area
- Front Line Support and Process Owner Participation
- Risk Culture, Accountability and Communication
- ERM Information and Planning
- Repeatability & Scalability
- Formalized Risk Indicators

We continue to make progress in each of these and other areas. ERM elevated top risks to the Board of Trustees and Executive Committee to initiate a dialogue on how these risks tie to the recently launched Strategic Direction Platforms and Pathways. In 2018, the Risk Council began a robust review cycle for a subset of the top risk and opportunity areas. ERM has collaborated with Human Resources Staff Success Center in the development of ERM training for front-line management and supervisors. It piloted in February 2018 and is ready to roll out with their full course offerings this summer. As our program matures, these processes will become embedded in the organization and positively impact the level of risk-awareness.
on our campus. Plans are to rescore UC’s program maturity in November 2018, and every two years thereafter.

**Risk Culture and Communication**

Communication and development of a risk-aware culture will continue as a key focus area next year, building a broad understanding of risk (both the upside and downside), identifying and assessing risk, and connecting resources across the enterprise to manage risk and encourage opportunity. To assist us in the accomplishment of this objective the ERM Communications subcommittee, a key component of ERM governance, has developed a written Communications Plan that outlines strategies, goals and metrics. The strategy includes a multi-level, multi-channeled approach to reach as many constituents as possible.

In November 2017, we issued the second annual Risk Awareness Survey. The survey was designed in partnership with the UC Institution for Policy Research as a tool to help measure and understand UC’s risk culture and to track progress of risk awareness among our faculty and staff. For survey purposes, we define “risk” as anything that can impact UC’s mission. Over 1,000 faculty and staff responded, providing us with valuable insights. Overall, the results seem to trend in the positive direction and affirm that ERM’s comprehensive inventory of risk tracks with the broader community’s risk concerns. Some high-level observations and conclusions from this year’s survey are provided below. Respondents indicated:

- 53% agree (either “strongly” or “somewhat”) that managing risk is an important part of the culture within their department/unit. About 8 of 10 (78%) respondents in this category also report higher levels of familiarity with their own risk responsibilities. 53% also agree (either “strongly” or “somewhat”) that managing risk is an important part of UC’s culture, similar to the 2016 results (54%).
- 52% of respondents reported that they know who to contact if they become aware of a potential risk that impacts their workplace. This is 3 percentage points higher than was found in the 2016 results (49%).
- 64% disagree (either “strongly” or “somewhat”) that they are reluctant to report risks that concern them in the workplace, similar to the 2016 results (65%).
Ultimately, the survey demonstrates that there remains a good deal of work to do to establish a campus-wide culture that embraces managing risk as an important part of the fabric of UC. The relationship found between perception of risk “culture” and familiarity with how one’s own responsibilities relate to risk, suggest the need for multiple strategies to engage the university community. This learning will drive some of the ERM Communications Plan discussed above.

Additional observations taken from the more open-ended questions:

- Risks, both real and perceived, arise out of the situational context pertaining to what is in the current news headlines and/or changing laws and regulations (e.g. Title IX and “me too”, personal safety, social tension from provocative speakers and topics, and impact of federal tax reform on higher education).
- Constituents across campus expressed concern regarding IT security and budget/funding cuts within their departments, all the way up to the state funding level. This is consistent with enterprise risk results assessed at the Board and leadership level (See Top Ten Enterprise Risks discussed in the ERM section above.)

According to a 2015 article published by Deloitte, having a risk intelligent culture means that everyone understands the organization’s approach to risk, takes personal responsibility to manage risk in everything that they do, and encourages others to follow their example. ERM plans to foster the development of UC’s risk intelligent culture through our enhanced focus on our risk and opportunity awareness communications campaign. In partnership with Human Resources this fall, we will launch an ERM training course targeted to managers and department leaders and designed to teach participants how to identify, assess and manage risks in their areas. We will review the survey results for opportunities to plan meaningful and specific outreach to key departments and areas who have low risk and opportunity awareness and low ERM familiarity.

ERM’s program goal for 2018 and beyond remains focused on continuous improvement to add value and net worth to the organization. This next year our business processes will be even more robust, with the top risks and opportunities identified and assessed by the appropriate Board and management governing body, a clear alignment of those risks and opportunities to the strategic direction and action plans, and a deep dive into development of a framework and dialogue around UC’s risk appetite and tolerance.

Training
Every year, ERM commits a number of hours to training the campus community and important stakeholders. In 2017, our team collectively delivered an estimated 1,650 man-hours of training on a variety of topics, including professional liability coverage, risk mitigation strategies, the ERM program and best practices in risk management, protection of minors and summer camp coverage. Our annual Risky Business Week programming was student-focused, and featured training on alcohol safety, student mental health and healthy relationships.

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th># of training man-hours¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>External Partners</td>
<td>687</td>
</tr>
<tr>
<td>Faculty/Staff</td>
<td>616</td>
</tr>
<tr>
<td>College of Medicine</td>
<td>298</td>
</tr>
<tr>
<td>Students</td>
<td>50</td>
</tr>
</tbody>
</table>

¹Training man-hours is calculated by multiplying training duration in hours * total number of trainees * number of trainers
Year at a Glance

The following are significant events and activities various ERM staff members assisted with facilitating, provided presentations for, or supported at a significant level:

**MARCH 2017**
- **TBI Think Tank (PARTNERSHIPS)**
  A Think Tank of about 25 thought leaders from both the medical and higher education risk management community around the country were invited by the Arthur J. Gallagher Higher Education Practice Group to assist in the development of a whitepaper on traumatic brain injury (TBI). This area of risk exposure is a moving target as both the science and legal landscape change almost as quickly as papers are written. If you are interested in receiving a copy of the published whitepaper, contact ERM@UC.EDU.

**JUNE 2017**
- **URMIA Commuter Conference (INFORMATION & PLANNING)**
  Conference brought 30 risk professionals from 15 organizations across the tri state area to UC's campus. In addition to networking, participants delved into various risk and opportunity awareness topics.
- **ERM Retreat (INFORMATION & PLANNING)**
  Tanya Ladd, UC Director of the HR Staff Success Center, facilitated ERM’s 1½ day staff retreat focused on team branding, modeling ERM as a business process and fine tuning and updating ERM’s strategic plan.

**APRIL 2017**
- **IUC IC Loss Control Symposium (ACCOUNTABILITY)**
  Together with others, the IUC IC planned and presented the Inaugural Loss Control Symposium for Ohio IUC schools on Title IX Compliance.

**JULY 2017**
- **Ingram invited to peer review Penn State University’s ERM Program (PARTNERSHIPS)**
  UC’s Chief Risk Officer participated in a peer review of Penn State University’s ERM program with chief risk officers from Ohio State and Emory University. Besides being of service to the profession and other institutions, a key advantage of peer review is the critical thinking process that provided new insights about our own program.
SEPTEMBER 2017
- **URMIA Annual Conference** (TRAINING)
  Conference hosted more than 800 risk professionals from colleges and universities around the U.S and the world. ERM presented or co-presented on Fostering a Risk Aware Culture, Current Claim and Litigation Trends, Issues in Global Health Education and Service Programs.
- **Board Appointments** (PARTNERSHIPS)
  Ingram appointed to RIMS Board, Ohio River Valley Chapter and Beekley assumed Chair, Governmental, Regulatory and Compliance Committee, URMIA.

OCTOBER 2017
- **IUC IC Shared Services Summit on Sharing the Risk: Collaboration’s Benefits in Risk Management** (INFORMATION & PLANNING)
  IUC President Bruce Johnson and Chancellor of the Ohio Department of Higher Education John Carey kicked off the day-long event of featured speakers and breakout sessions focused on current and future opportunities for collaboration among Ohio institutions of higher education.
- **Student Leadership Conference** (TRAINING)
  ERM presented *Your Risk Is Our Business* to participating students in the format of a case study involving an outing planned by a student organization and how to assess and mitigate the associated risks.

NOVEMBER 2017
- **Audit & Risk Management Committee of the Board of Trustees** (INFORMATION & PLANNING)
  Presented on the status of UC’s Enterprise Risk Management and insurance & Risk Transfer programs.
- **Participated in Diversity Training w/ Office of General Counsel** (VALUES)
  Bleuzette Marshall, Chief Diversity Officer, challenged us to use Whole Brain® Thinking. It acknowledges that while different tasks require different mental processes, and different people prefer different kinds of thinking, organizations will get better results when they can strategically leverage the full spectrum of thinking available.
- **Annual Risky Business Week** (RISK CULTURE & COMMUNICATION)
  Aimed at raising awareness about campus partners, including Student Wellness and Counseling & Psychological Services (CAPS), helping students proactively manage their health and have a positive campus experience. It also recognized Risk Champions Bob Mangine in UC Athletics for “Best ERM Engagement Award”, Utility Systems & Technical Support for “Best Practice in Loss Prevention Award”, and UC Information Technology for “ERM Champion Award.”

DECEMBER 2017
- **Collaboration on NIH grant** (FRONT LINE SUPPORT)
  In partnership with Office of General Counsel, worked with a leading Principal Investigator to secure placement of a special clinical trials insurance policy to support a significant $29 million 5 year NIH grant.
A Look Ahead

While the milestones and accomplishments of the last year are notable, the work of sustaining a robust Enterprise Risk Management program at UC will be a continuous evolutionary process. Enterprise Risk Management looks forward to leading this charge and collaborating with all colleges, departments, and units to make UC’s ERM program a best-in-class model.

Key Performance Indicators & Key Risk Indicators
An area of concern with respect to any organization’s ERM program involves its ability to assess the effectiveness of their ERM program as well as its specific risk mitigation plans. Measuring a risk mitigation plan’s effectiveness is a priority discussed within our ERM Risk Review Subcommittee. Some of the questions we ask ourselves include: How do we know a mitigation plan is working and the risk is effectively managed? How do we know if a risk has gone out of the acceptable tolerance range? Are the root causes of risk accurately identified? Knowing the fundamental why behind a risk event is the only way to design effective, efficient controls.

Key performance and key risk indicators must be developed and attached to key risks to help answer these and other questions. Key Performance Indicators (KPI) and Key Risk Indicators (KRI)—ideally those with predictive value and characteristics able to be impacted by selected risk controls—must be built into the ERM program at the individual risk level. UC’s individual Risk Owners are in the best position to identify risk-specific KPI’s and KRI’s. UC is doing better in this regard, but there is still work to be done. ERM governance, including the Risk Council, ERM Executive Committee and Board, can assist risk owners in their understanding of the importance of capturing appropriate key metrics.

Finally, as outlined in the Metrics section of this report, the Risk Maturity Model (RMM) provides an effectiveness measure of how well UC’s total ERM program is performing and can be used to identify specific areas for improvement. Total Cost of Risk, albeit a lag measure, is also a best practice KPI that provides an indication of the effectiveness of the organization’s broad risk management program.

Risk Management Policy
The formal ERM Policy is an important program component that needs to be wrapped up within the next quarter. It is slated for review by the Financial Policy Development Committee in early spring. We hope to vet through UC governance and have formal adoption by fall 2018.

Risk Appetite Framework
Two key components of a mature ERM program are risk appetite and risk tolerance—these makeup the risk appetite framework. Risk tolerance is the level of risk an organization can accept per individual risk, whereas risk appetite is the total risk that the organization can bear in a given risk profile, usually expressed in aggregate. Risk tolerance also refers to the acceptance of the outcomes of a risk should it occur, and having the right resources and controls in place to absorb or “tolerate” the given risk expressed in qualitative and/or quantitative risk criteria. A range of appetites exist and these will change over time. Discussion of risk appetite and tolerance need to be high on UC’s agenda and a core consideration of our Enterprise Risk Management approach. While risk appetite may mean different things to different people, a properly developed and communicated risk appetite framework can help UC successfully achieve its goals and support sustainability.

Management Reports
In the next fiscal year, ERM is developing management reports that will highlight three years of casualty and property loss data for each college and major division. This high-level visibility with units across campus will enhance our ability to gain consensus and develop recommended actions for systemic loss control plans to prevent or mitigate future losses.
Awareness Campaigns
ERM recognizes that communication is key—the right message to the right audience at the right time enhances awareness and overall program effectiveness. Planning is underway for two new awareness campaigns. The first is the distribution of Here’s 5 Things, a triannual communication to key stakeholders on hot topics in the area of risk management. This tool will reinforce readers’ understanding of how risk can affect outcomes and will provide strategies for proactively addressing risk in order to achieve planned objectives. If you are interested in subscribing, contact ERM@UC.EDU.

Additionally, ERM plans to partner with Internal Audit to highlight the Anonymous Reporting Hotline, an important tool for reporting concerns on campus. The campaign will highlight how to make a report and the process for handling the report.

Enterprise Risk Management Website
Electronic materials (text, images, video, etc.) created for websites require certain elements to make those materials accessible to individuals with disabilities, including (but not limited to) people with hearing, mobility, cognitive or visual impairments. In alignment with these principles, ERM proactively initiated changes to its website per the new Accessibility Network guidelines. This work will continue in 2018.

HR/ERM Education: Rules & Tools
ERM partnered with the dynamic HR Leadership Development team to create management training on core ERM principles. The training will utilize a number of case studies to help participants gain practical experience in identifying, assessing and managing risks within their own departments and divisions.

Emerging Risk Challenges and Opportunities
Ignoring emerging risks is not an option. We need to prepare both for the risks of today and tomorrow. A risk/opportunity is emerging when one or more of the conditions, situations or trends that could significantly impact the organization’s financial strength, competitive position or reputation within the next few years is not clearly understood and/or involves a high degree of uncertainty. Critical elements of certain emerging risks/opportunities have not developed enough to be sufficiently analyzed using traditional risk management methodologies.

In a recent report, Swiss Re, a major insurer, said the increasing migration to cloud-based computing systems exposes business to new risks. “Should an event bring down or severely impair” cloud services from a single large provider, for example, “the financial loss could be immense.” The report goes on to state that water shortages and related problems pose numerous threats. Losses in agricultural, energy and forestry, risk of large-scale wildfires, drought-induced soil subsidence and water pollution events in the energy, mining and agricultural sectors are just some of the rising exposures related to drought. In addition, Swiss Re identifies rising inflation and regulatory fragmentation as near-term risks while tapping “underestimated infectious diseases” and “emerging artificial intelligence legislation” as longer-term threats.

It is important to constantly scan the horizon for emerging risks that can adversely impact an organization. But it is equally important to establish sound practices, procedures and protocols for reporting, identifying, assessing and defining appropriate responses to said risks. Continuous learning will be crucial for the road ahead.
Contact Us

Thank you again for taking the time to read this publication. We welcome your feedback and encourage you to reach out to us with any risk management concerns or issues in the year ahead!

Enterprise Risk Management
P.O. Box 210785
Cincinnati, OH 45221-0785

Phone: 513-558-5042
Fax: 513-558-1046
Email: RMI@uc.edu

To learn more, visit our website: uc.edu/gencounsel/rmi
GLOSSARY OF INSURANCE CLAIM TERMS USED

**UC Paid:** Deductible or self-insurance amount paid by the university

**Insurance Paid:** Indemnity amount paid from various external insurance sources outside of the deductible or self-insurance layer, including the IUC-IC pool layer and any excess insurance

**Expense:** Additional fees and expenses paid for claims, including defense costs, experts, court filings and TPA fees

**Loss Penalty:** IUC-IC member schools experiencing claims in the “pool layer” must repay 30% of their pool loss according to a stated formula, subject to per claim and aggregate maximums

**Reserve:** Estimate for additional claim costs which are outstanding, in anticipation of future payout

**Total Incurred Losses:** Total projected cost of losses. This is the addition of all of the categories listed above. UC and Insurance Paid + Expense + Loss Penalty + Reserve = Total Incurred