



Adventist University of Central Africa

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AUCA RISK MANAGEMENT POLICY



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Office of Deputy Vice Chancellor for Finance

AUCA RISK MANAGEMENT POLICY

Kigali, 2022

Table of Contents

<i>Philosophy</i>	3
<i>Mission</i>	3
<i>Vision</i>	3
<i>Beliefs and Values</i>	3
<i>Motto</i>	5
AUCA goals	5
AUCA Accreditation.....	5
Introduction	5
Holding Properties.....	6
Insurance Policies.....	6
Property Insurance.....	8
New construction.....	10
Hospital Professional Practice and Safety Committee	10
Personal Accident Insurance Covered (PAIC).....	11
Risk Management and Safety Plans	12

Philosophy

The Adventist University of Central Africa operates on the basis of the Seventh-day Adventist worldview, which holds that God is the Creator and Sustainer of the universe and the source of true knowledge. The entrance of sin caused man’s alienation from God, therefore the restoration of the relation between man and God is the main aim of the Christian Education that leads students to discover and understand the truth through critical thinking.

Mission

The mission of the Adventist University of Central Africa (AUCA) is to provide Christ-centred wholistic quality education to prepare for service in this world, and in the life to come.

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Vision

The vision of the Adventist University of Central Africa (AUCA) is to become an international center of academic learning with global impact.

Beliefs and Values

AUCA is a Seventh-day Adventist institution of higher learning that nurtures the mental, spiritual, social and physical capacities of its personnel and students. The values of the University are rooted in the Bible and should be seen in the daily activities of the university administrators, workers, and students.

Through a process of discernment based on dialogue, critical thinking, and reflection, university designates the following as core beliefs and values of AUCA:

Love: Informed by the example of Jesus Christ, and by the fundamental beliefs of the Seventh-day Adventist Church AUCA demonstrates a spirit of unity and connectedness with one another through expression, courtesy, hospitality, shared values and loving communication regardless ethnicity, gender, or other considerations. AUCA extends this value of community by reaching out to neighbors and to members of the larger civil and ecclesial communities.

Faith: AUCA is a faith-based institution of higher learning. The faith nurtured in the institution is rooted in the teachings of Jesus Christ and in the 28 beliefs of the Seventh-day Adventist Church. While other religious traditions and individual beliefs of our personnel and students are respected, the university administration and faculties are expected to integrate a biblical, Seventh-day Adventist faith into learning activities of the students.

Integrity: Concerned for the good of the community in this life and the life to come is the University goal as it commits itself to honesty in all relations with students, faculty, staff and administration. Through the University integrity, workers and students earn and maintain the trust of the surrounding community, public, and governmental agencies.

Respect: AUCA values and respects the contribution of each member of the university community to the advancement of the mission of AUCA. AUCA encourages and supports each other as colleagues working together for the good of the whole institution.

Compassion & Care: Inspired by the example of Jesus Christ AUCA opens its workers and students' hearts to those in physical, spiritual and mental need. AUCA consciously reaches out beyond its boundaries to serve others in need with compassion and mercy.

Fairness and Justice: recognizing the dignity of all persons (students, staff, teachers and administrators) AUCA seeks to avoid any acts of injustice toward each other and addresses instances of injustice both within and outside of the university community from a stance of

informed advocacy. AUCA holds each other accountable and endeavors to practice responsible stewardship of the resources available to us.

Excellence: As a faith-based institution of higher learning, AUCA seeks to combine faith with reason in the pursuit of academic excellence. AUCA Senate and Administration call all members of the university community to excel as individuals and as professionals within their specific roles.

Motto

“Education for Eternity”

AUCA goals

As an Adventist University, its principal goals are as follows:

- To promote the development of the mental, spiritual capacities and social strengths of an individual until his highest potential is reached;
- Based on biblical principles the university seeks to help students become useful members of the society not only endowed with intellectual skills, but well-developed character. The university focuses its goals and its objectives on the principles of the Bible;
- To inculcate into the students the desire for a life style based on a balanced natural food, principles of hygiene and physical exercises; and
- To help students become useful members of the community endowed not only with intellectual skills, but also with the most well-balanced character of a good citizen of this world and the world to come.

AUCA Accreditation

The university operates under the charter from the Ministry of Education of the Government of Rwanda, through Higher Education Council (HEC) and as such it is empowered to offer its programmes and confer appropriate degrees. The institution has reciprocal arrangements to recognize its degrees and diplomas from other accredited universities both within the country and elsewhere. Denominationally, the university holds accreditation from Adventist Accrediting Association (AAA) of the Seventh-day Adventist Schools, Colleges, and Universities worldwide.

Introduction

This policy serves as a strategic framework for how the organization manages risk and helps ensure that risk management practices are consistent across the organization. AUCA like any other purpose-driven institution preserves for any hazards that might befall its premises. With this, there

is assurance that various forms of risks can be mitigated to avoid maiming the progress and vision of the institution.

Holding Properties

Property Ownership – Church properties and other assets shall be held in the name of an appropriate denominational corporate entity, not by individuals, trustees, or local congregations. Where this is not legally possible, the division shall make alternative arrangements in consultation with the General Conference Office of General Counsel.

Property Valuations -All church properties and other properties owned by conference/mission/Field associations that are not used for association operating purposes shall be listed in the association books of account at their cost, and a reserve shall be set up leaving currency unit 1 net valuation on each property as listed.

Special Provision – In situations where it is not possible or feasible to register a property holding organization in a country or where the expense of transferring proprieties would be prohibitive, properties may continue to be titled in the name of the General Conference Corporation of Seventh-day Adventists. However, where possible the assets shall be recorded in the books of the division or the subsidiary organization in which the property is located.

Insurance Policies

Insurance of Denominational Assets- To maximize protection for all church operations against risk of accidents, property, and liability losses, the following operating policies shall be followed:

1. **Property Protection** – The treasurers/Chief financial officers and managers of denominational organizations, in cooperation with Adventist Risk Management, Incorporated, shall initiate measures to prevent losses and/or minimize the losses in the event of an occurrence and shall be responsible for maintaining adequate insurance coverage of assets. Losses and accidents, including work related injuries and illnesses, shall be reported on a timely basis in harmony with denominational operating policies.
2. **Liability Limits** – The division shall be responsible for maintaining. US\$1,000,000 Coverage for the liability risks, based on specifications established by Adventist Risk Management, Incorporated, with the General Conference purchasing a worldwide umbrella policy to insure for general liability (non-Hospital catastrophic losses.)
3. **Acceptable Coverage** -Denominational assets shall be insured with companies with a minimum of A grade rating in Best's Key Insurance Rating guide or, in international locations, with an insurance company which is given a superior rating by a well-known insurance brokerage house approval by Adventist Risk Management, Incorporated, or with the church owned insurance company Reciprocal companies and assessable companies are not recommended. **Funded self-insurance programs to cover expected losses are acceptable risk financing techniques.** However, the expected loss projections should be based on an actuary study and should have excess insurance covering the catastrophic exposure.
4. **Insurance Register** -Treasurers/ Chief Financial officers and managers of denominational organizations shall be responsible for holding and maintaining a complete record of the

insurance policies covering the buildings and other assets. The original copy of public liability insurance policies shall be retained as a permanent record.

- A. This record shall include the name and description of the property, the amount of insurance carried, the name of the company with which it is insured, the expiration date of the insurance policy, and the policy number.
 - B. Negotiations for the renewal of insurance policies shall begin at least 120 days before the expirations date, to avoid unintentional lapse of coverage.
 - C. Coordination of insurance coverage among denominational entities is critical. Thus, Adventist Risk Management, Incorporated, or an independent insurance consultant should be consulted in all insurance negotiations, including the development of funded self-insurance programs.
 - D. All affiliated and subsidiary organizations and institutions of the Seventy-day Adventist Church shall same the parent organizations, up to and including the General Conference of Seventh-day Adventist, and the General Conference of Seventh-day Adventists, as an additional named insured on all liability insurance policies.
5. Auditing – It shall be the duty of the auditor to check and report to the governing board or committee as to whether the provisions of insurance coverages are in harmony with the working policy. When requested by the General Conference Auditing Service, Adventist Risk Management Incorporated shall assist as needed.
 6. Consultant -Adventist Risk Management, Incorporated shall serve as Consult to the division, union, conference/mission/field and institutional Risk Management, or Insurance Committees, including the Risk Management Committee and Trust Boards for Adventist health systems, and shall assist in the establishment of specifications for programs which may be available from the insurance and risk management industry.

Minimum Limits of Liabilities Insurance – Effective January 1, 1996, “Minimum limits” shall be defined as no less than:

General Liabilities /Hospital Professional Liabilities (Primary) US \$1,000,000 annual aggregate minimum

Commercial Auto Liability (Primary)1,000,000 per occurrence

Garage Liability(primary). 1,000,000 per occurrence

Excess Liability 9,000,000 per occurrence

Executive Risk:

Directors and Officers 25,000,000 per loss and Liability annual aggregate.

Fiduciary Liability 10,000,000 per loss and annual aggregate

Employee Dishonesty Coverage 3,000,000 per loss and annual aggregate

Miscellaneous Professional 1,000,000 per loss and liability

Liability annual aggregate

Trustees Errors and Omissions Liability	1,000,000 per loss and 4,000,000 annual aggregate
Aircraft Liability	50,000,000 per occurrence
With no per passenger limit*	
Non-owned Aircraft Liability*.	50,000,000 per occurrence
With no per passenger limit*	
Airport Liability	50,000,000 per occurrence

Any requests for exceptions in limits for Hospital Professional Liability (HPL) or Aircraft Liability due to local circumstances must be made through the applicable division to the General Conference HPL/Aviation Liability Insurance Committee (as established by the General Conference Executive Committee) for approval.

Property Insurance

1. **Replacement values** -Adequate insurance shall be carried on all denominational properties for perils of fire and extended covered, or multi-peril coverage, where applicable, it being recommended that the coverage be on the basis of replacement values on buildings and actual cash value on contents. All buildings shall be covered from commencement of construction.
2. **Survey of Buildings** -The treasures/Chief financial officers of unions, local conference/mission/field and institutions shall survey the buildings in their respective territories, including the contents of such buildings, to determine the insurable value of all property.
3. **Appraisal** -The treasures/chief financial officers of unions, local conferences/missions/fields, and institutions are responsible to make sure that church-owned buildings are insured to value.

Crime Insurance -It is recommended that the division, unions, local conference/mission/fields, institutions, churches, and schools protect their properties and moneys from the perils of theft, burglary, and robbery.

Boiler Insurance -It is recommended that organizations operating either low- or high-pressure vessels or boilers, water heaters, central air conditioning, commercial, freezers, or refrigeration units obtain adequate coverage in the form of special boiler insurance.

Public Liability Insurance -There is a definite trend toward abolishing charitable immunity, both on the part of courts and legislative bodies, with the result that charitable organizations are being held liable for accidents and injuries of every description. Since it cannot be predicted when a court of law may render a decision reversing specific legislation granting charitable immunity, the following is recommended:

1. **Properties and Operations** – Liability protection shall be secured on all denominational properties and operations, with sufficient limits to protect the assets of each respective organization. Coverage should be written on a blanket basis whenever possible with all property titled in the name of each respective organization holding title, such as the local conference/mission/field corporation or association.
2. **Volunteers** -It is recommended that liability coverage be extended to cover volunteers but only respecting projects and adhering to specific guidelines as follows:
 - a. The project must be preapproved by the conference/mission/field or organizational administrative committee.
 - b. The project and its nature must be reported to the Adventist Risk Management, Incorporated well in advance to manage for proper extension of coverage.
 - c. The premium for coverage must be guaranteed by the division.
3. **Motor Vehicles** -Liability protection shall be secured on all owned as well as non-owned vehicles used on behalf of the employing organization, with adequate limits of bodily injury and property damage liability. All vehicles owned by each Organization should nevertheless be included in on policy, with an automatic fleet endorsement or equivalent attached. In case of academies, all vehicles shall be registered in the name of the conference/mission/field and included in the blanket policy for the conference/mission/field.

Aircraft Insurance – Organizations authorizing or permitting the operation of an aircraft, whether denominationally owned or non-owned, shall be responsible for obtaining adequate insurance to cover potential legal liability, the aircraft, the pilot, and passengers.

Workers ‘Compensation Insurance –

1. Support of Injured Employee – The financial responsibility for the support of injured or incapacitated individuals and their families may unnecessarily become a drain on the financial resources of a denominational organization.
2. Approved Coverage -Denominational organizations are encouraged to secure Employer’s Liability Insurance and Workers’ Compensation Insurance or its equivalent on all denominational employees is not required by law, coverage may be purchased on a volunteer basis and may include volunteer workers as well. In some jurisdictions, volunteer workers cannot be included in the Workers ‘Compensation insurance policy. In that instance, coverage may be obtained for Adventist Risk Management, Incorporated under an accidental death and medical indemnity policy.
3. International Service Employees -The General Conference shall purchase workers’ compensation insurance that covers international service employees in the host/base division country for those employed by denominational organizations located outside of

the North American Division Territory. Any required local workers' Compensation insurance in the host country is the responsibility of the host employer/ division.

4. Catastrophic Risk -Since the cost of Worker's Compensation Insurance varies with the insured's accident and loss experience, management should avoid potential catastrophes which may arise from a concentration of large number of employees while traveling in buses, trains, automobiles, and aircraft.
5. **Fire Protection in Denominational Buildings** -Fire safety is dependent on a balanced combination of good building construction, proper attention against specific hazards, approved fire detection systems, adequate fire extinguishing facilities, and a well-organized fire is the first objective of all fire protection programs. The following standards are among those which shall be applied:

New construction

- A. In the construction of new buildings, a define effort shall be made to meet the requirements of fire resistive construction.
- B. All plans drawn for any denominational building shall be in accordance with all applicable building and safety codes. In the event of a conflict between national and local codes, the more stringent one shall be applied. A statement to the effect that the blueprints conform to these codes shall be included in the specifications for the building committee for approval before any construction commences.
- C. The use of wood frame and/or combustible materials should not be considered in the construction of more than one storey unless completely protected by an automatic sprinkler system, including adequate pressure and water supply. Single or double family dwellings, small service

1. Dormitories and Other Sleeping Quarters

- a. All dormitories shall have approved interior fire alarm systems.
- b. Dormitories not of fire resistive construction shall be completely equipped with an approved sprinkler system.
- c. All sleeping areas not located on ground level shall have a minimum of two well separated exit stairs leading to the ground level.

Hospital Professional Practice and Safety Committee -The division shall establish a policy requiring its healthcare institutions to establish appropriate committees or designate an individual to coordinate malpractice and related loss control procedures. This shall include the following activities:

1. The establishment of a hospital professional practice and safety committee in each entity with authority to recommend changes to the administration that are malpractices, loss control, or safety related. This committee shall meet on a regular basis. Copies of the minutes shall be sent to the division health director or personal appointed by the division and Adventist Risk Management, Incorporated. The terms of reference shall include:
 - A. Timely reporting of incidents and review of all medical incident reports,
 - B. Recommending peer review procedures of medical professional relating to special and licensing,

- C. Establishing a monitoring system for medical equipment and physical plant
 - D. Reviewing procedures as recommended by the division health director or person appointed by the division,
 - E. Reporting to the instruction's executive committee all significant incidents and claims,
 - F. Encouraging in house educational programs that emphasizes safe medical procedure, plan safety, and proper maintenance of equipment.
2. Significant incidents and claims shall be reviewed by the hospital executive committee.

Personal Accident Insurance Covered (PAIC)—1 . Regular Employees – All regular employees within the Division, including Literature Evangelists with credentials and licenses shall be provided with Personal Accident Insurance with US\$5,000 minimum. The premium shall be paid by the employing organization. Each union committee shall determine shall higher limits for employees who travel extensively.

2. Family Coverage – employees who choose to cover their family with Personal Accident Insurance or desire to increase the limit provide by the employing organization may do so at their own expense.

3. **Pathfinders** – Unions, conference/fields, and local churches shall protect all pathfinders or AY Clubs with Pathfinder Accident and Health Coverage with a minimum of US\$1,000 Medical Coverage and US5,000 PAI. The church shall be responsible for the cost of the coverage through the union/conference/field.

4. Church Group Activities – Any group of church members engaged in activities duly authorized by the church board shall be protected by a PAI coverage as well as medical coverage during the period of the activities. The local church shall be responsible for the cost of the coverage through the conference/field.

5. All the above insurance coverage may be requested from Adventist Risk Management through the regular the regular denominational channels.

Survivor Benefits – All active, full time employees within the Division shall be provided with Survivor Benefits insurance covered with US\$5,000 minimum and \$10,000 maximum as requested by the employer. There will be a one year waiting period for new employees, and their coverage will be effective at the beginning of the quarter following the last day of the waiting period. The premium shall be paid by the employing organization.

Personal Effects Baggage (PEB) – Employees may choose to protect their personal effects while traveling under Personal Effects Baggage (PEB). For employees who travel extensively within and outside their territories, the employing organization may choose to pay the premium.

Householders Insurance – The employing organizations may choose to cover their regular full-time employees within the Division with Householders Insurance. The premium may be shared equally between the employee and the employing organizations.

Short Term Travel (STT) – This coverage is for anyone an official business of, and/or sponsored travel by, the Seventh-day Adventist Church. Employees who travel outside of Africa and those traveling in the Republic of South Africa should be covered by STT at least one day before their travel. The premiums will be paid by the employing organization.

Managing Risks in Denominational Operations. Treasurers/Chief financial officers and other managers of denominational organizations shall be responsible to develop a proactive risk management and loss prevention program for their organization, in consultation with Adventist Risk Management. The objectives of the risk management program shall include identifying potential operational, transportation or natural hazards that could cause loss, develop appreciate measures to avoid or minimize loss, and determine the appropriate levels of insurance to protect denominational resources in the event of a loss.

2. Each denominational organization should designate a Safety Committee to coordinate risk management training and oversee the implementation of safety practices. The Safety Committee will also review all losses that occur within the organization on a periodic basis.

Risk Management and Safety Plans – The primary goal for the risk management/safety plan is to provide a safe environment in which to worship, work, study or fellowship. Proactive safety planning shall be a priority for all denominationally activities.

It is critical that every denominational organization develop a risk management/safety plan for its churches, schools, and institutions, for the following reasons:

1. To establish best practices that can prevent accidents within the organization.
2. To satisfy compliance with government health and safety regulations.
3. To reduce the risk negligence that may result in the loss of life, bodily injury, or loss of physical assets.
4. To help the organization prepare and plan for the unexpected.
5. To establish management's commitment, responsibility, authority, and accountability for safe practices and loss prevention.
6. To identify and reinforce safety and loss prevention awareness throughout the organization.

Each organization shall designate a safety officer to implement the risk management plans developed, conduct safety training, and perform loss prevention site surveys of denominational facilities. The Safety Committee should report their recommendations to the officers of the denominational organization.

Adventist Risk Management shall be consulted to assist denominational organizations with the establishment and implementation of best practice risk management/safety programs and help with providing training and other risk management educational resources.

