DATE: June 24, 2013

FROM: Steven C. Holland, Assistant Vice President Risk Management Services

SUBJECT: University of Arizona Insurance Coverage

This document is written to describe liability and workers' compensation insurance coverage provided to employees of the University of Arizona by the State of Arizona Risk Management program.

The University of Arizona participates in a program of self-insurance which provides coverage against loss for its employees, officers, and agents under the provisions of Arizona Revised Statutes §41-621 et seq. The scope of this statutory self-insurance program includes general, auto, and professional liability, worker's compensation, and coverage of university property. Eligibility for liability coverage also includes volunteers working under the University's direction and control, and to student interns, externs, residents and fellows enrolled in University training programs. Workers' Compensation coverage for state employees is self-insured in accordance with other provisions of the referenced statute. The enabling statute does not specify dollar limits of coverage, or an expiration date.

The applicable wording of this statute is as follows:

A.R.S. §41-621A.3. - The Department of Administration shall obtain insurance against loss, to the extent it is determined necessary and in the best interests of the state on the following: ...(3) The state and its departments, agencies, boards and commissions and all officers, agents and employees thereof, and such others as may be necessary to accomplish the functions or business of the state against liability for acts or omissions of any nature while acting in authorized governmental or proprietary capacities and in the course and scope of employment or authorization except as prescribed by this chapter.

The funding source for the self-insurance program described herein is under the appropriation control of the State of Arizona. The Arizona Board of Regents on behalf of the University of Arizona ("ABOR") is a public institution and instrumentality of the State of Arizona and, as such, any indemnification, hold harmless or defense provision is limited as provided by the laws of the State of Arizona, including without limitation Article 9, Sections 5 and 7 of the Arizona Constitution and Sections 35-154 and 41-621 of the Arizona Revised Statutes. Consequently, the University of Arizona is limited in its ability to provide indemnification to other parties in contracts, and is prohibited from naming non-state entities as additional insured parties under the State of Arizona self-insurance program.

This program is administered by the Arizona Department of Administration, Risk Management Division. The University of Arizona's Department of Risk Management Services coordinates this program at the university level, and serves as the university liaison to the State of Arizona for coverage and claim issues. Questions concerning these programs may be directed to Steve Holland at (520) 621-1790 or sholland@email.arizona.edu.