

---

## **SECTION 11**

### **RISK MANAGEMENT AND INSURANCE**

#### **11.02 POLICY STATEMENT**

**AUTHORITY:**

*FINANCIAL ADMINISTRATION ACT/  
TREASURY BOARD*

**ADMINISTRATION:**

TREASURY BOARD SECRETARIAT  
(RISK MANAGEMENT AND INSURANCE SECTION)

**EFFECTIVE DATE:**

DECEMBER 2023

---

## 11.02 POLICY STATEMENT

### (1) GENERAL PRINCIPLES

The responsibility for all insurance and risk management provided by Government rests with the Risk Management and Insurance Section of the Treasury Board Secretariat (RM&I). In order to reduce the cost of risk (defined as “the sum of insurance premiums, self-insured losses and loss control cost”), a risk management and insurance process has been developed, which includes:

- (a) the application of sound loss prevention and safety procedures; and
- (b) the provision of funds to pay an insurable loss covered by the Insurance Policies, when it occurs.

### (2) ACCOUNTABILITY, RESPONSIBILITY, AUTHORITY

- (a) **Deputy Heads** are responsible for:
  - (i) ensuring that the departmental managers and staff are aware of this policy and that appropriate steps are taken to ensure compliance and to minimize Government’s risk exposure;
  - (ii) appointing a senior employee as the Designated Insurance Representative who will:
    - serve as the liaison person with RM&I on issues relating to insurance and risk management;
    - provide any necessary information to departmental personnel on insurance coverage;
    - ensure that incidents and damage claims are reported; and
    - be familiar with the facilities and operations of the insured.
- (b) The **Secretary to Treasury Board** is responsible for:
  - (i) providing direction to RM&I;
  - (ii) reporting to Treasury Board, as required, on RM&I activities;
  - (iii) conducting any of the business of the Prince Edward Island Self-Insurance and Risk Management Fund as defined under Part II of the FAA (the “Fund”); and
  - (iv) delegating such duties to any person holding a director, or higher, level position within the Treasury Board Secretariat.

- (c) **The Advisory Committee of the Fund** is appointed by Treasury Board pursuant to the FAA and is comprised of representatives of Insureds and is responsible to advise Treasury Board with respect to the Fund.

**The Advisory Committee** is responsible for:

- (i) recommending short and long-term goals and objectives of the Fund;
  - (ii) establishing and reviewing annually guidelines of eligibility for Fund participants;
  - (iii) establishing and reviewing annually policy and guidelines for determining the annual contributions required from participants of the Fund based on factors such as: existing commercial insurance rates; previous insurance premiums; and degree of risk involved and claims experience;
  - (iv) interpreting coverage under the Fund's Insurance Policy(ies) and recommending any required changes;
  - (v) recommending programs or measures to reduce or eliminate the chance of loss or the potential severity of loss;
  - (vi) providing direction to ensure proper administrative procedures are being followed;
  - (vii) recommending the type of permanent structure under which the Fund should operate; and
  - (viii) reviewing the progress in achieving goals and objectives annually and providing a written report to Treasury Board, including recommended corrective action, if required.
- (d) **RM&I** is responsible for:
- (i) administering this policy, subject to approved procedures;
  - (ii) promoting the awareness of and compliance with this policy by all Insureds;
  - (iii) making necessary arrangements for risk financing, including negotiating commercial insurance coverages, or establishing self-insurance plans for Insureds, and administering same in accordance with this policy;
  - (iv) adjusting, managing and settling claims involving loss or damage to Insureds' property or assets, and Third Party liability claims against Insureds, in accordance with this policy; and
  - (v) reviewing all indemnification clauses and agreements given by Insureds in contractual agreements within the scope of this policy.