



**State of Utah**

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Retirement and Independent Entities Interim Committee Presentation

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**Does the Division of Risk Management (DRM) cover independent entities and, if so, in what ways?**

- DRM provides liability, property and vehicle insurance, as well as claims adjusting, loss prevention services and training to certain independent entities.
- State Risk Management currently covers three Independent State Agencies (Heber Valley RR, UCAN, SITLA) and one independent corporation (State Fair Corp)
- Except as specifically modified in its authorizing statute, independent corporations may not participate in services provided to state agencies, including . . . Risk Management coverage.

**Question:** Should this same requirement for specific statutory authorization apply to independent state agencies?

**Challenges and concerns regarding coverage of some independent entity activities**

- Independent entities are being encouraged by the Legislature and Governor’s office to create revenue to support themselves rather than rely on General Funding. This is causing many of them to move into areas that are traditionally considered commercial rather than governmental.

Examples: Serving alcohol at events, operating carnivals/rides, running/bicycle races, child care centers, race tracks, weddings, quincinieras, storage of public's RV's/boats, watercraft/ATV rentals, public uses of commercial kitchens to produce own products for sale to the public, auctions, etc.

- State Risk Management is concerned that this could impact governmental immunity. *See Laney v. Fairview City, 2002 UT 79.*
- Insurance through State Risk Management is generally cheaper than the commercial market.  
Example: State Fair - 2011 Liability Insurance Coverage  
 Actual Risk Management liability premium - **\$18,000**  
 Private commercial liability insurance quote - **\$47,256 plus an additional fee for each event**

**DRM’s Response**

- To protect the Risk Fund and governmental immunity, for activities appearing more commercial in nature: 1) encourage/require independent entities to get separate commercial insurance; and 2) require vendors using their facilities to bring their own insurance for those activities.