RISK MANAGEMENT REPORT 2025

Julie Thomas

Director, Risk Management

TABLE OF CONTENTS

Executive Summary

The University community understands there are risks in everything that we do and risk taking must occur if the University is to innovate, improve, and achieve its mission. Risk management is the systematic process of identifying, assessing and mitigating threats or uncertainties that can affect the University.

This report provides an overview of risk management at the University of New Brunswick (University / UNB), highlighting the University's Top Riks, and the insurance and occupational health and safety functions.

INSURANCE

Insurance markets are showing signs of stability not seen in recent years. Excess insurers and reinsurers are experiencing a period of capital growth, manageable catastrophic losses, favorable underwriting and strong investment returns. Steady earnings and increasing capital levels have resulted in abundant capacity, which in turn has led to declining pricing.

With respect to property insurance markets, the economic impact of the 2025 tariffs on construction costs has been tempered slightly by lower oil prices, the removal of the carbon energy tax, and to a lesser extent the development of interprovincial and global (non-US) input supplier alternatives. In the casualty markets (i.e. general liability policy), insurers are cautiously managing limits within excess layers with a move towards deploying more capacity in excess layers. Traditional excess insurers are writing policies with lower attachment points resulting in enhanced coverage options for clients. Cybersecurity insurance markets continue to broaden as insureds increase their cybersecurity hygiene. General liability and errors and omissions liability markets remain favourable. Reinsurers continue to be cautious and challenged by capacity limits for long-tail liability exposures; with sexual abuse, concussion injury, and increased litigation being the primary concerns. UNB benefited from the oversight and management of our primary insurer and the market trends in 2025. The overall impact on the university's insurance portfolio was a decrease in premiums of 7% across all policies.

OCCUPATIONAL HEALTH AND SAFETY

Risk Management and the associated occupational health and safety offices continue to strive to achieve UNB's strategic vision of "One UNB" with the standardization of policies and standard operating procedures across campuses. This approach has improved consistency while maintaining the standard of service that is necessary to ensure a safe working and learning environment for all faculty, staff, and students.

SUMMARY

The University has consistently upheld its commitment to excellence in education, research and associated support services, while ensuring risks remain within acceptable bounds. Moving forward, UNB is well positioned to build on recent accomplishments by cultivating a culture of informed risk-taking that drives innovation and growth, with risk mitigation ensuring every decision strengthens the University's future.

Introduction

The purpose of the risk management function at UNB is to assist in the identification, quantification, and assessment of risks, recommend options for managing them to protect the University's interests, and increase the likelihood of achieving its stated goals and objectives. This role includes the long-standing practice of managing traditional hazard risks, as well as monitoring the progress of risk mitigation and management.

UNDERSTANDING OF RISK IMPACT

The reputation of the University is a key component in the successful achievement of our mission. Figure 1 provides an illustration of the interrelationship of the four main internal risk categories, those over which we have some level of control: strategic, financial, operational, and hazard.

In addition, it is recognized that there are external risks over which the University has little influence or control but can take action to help mitigate. The intent of representing risks in this manner is to highlight that in an academic institution, reputation is the foundation in the successful achievement of the University's mission and understanding the potential impact on reputation should be considered when assessing internal risk(s).

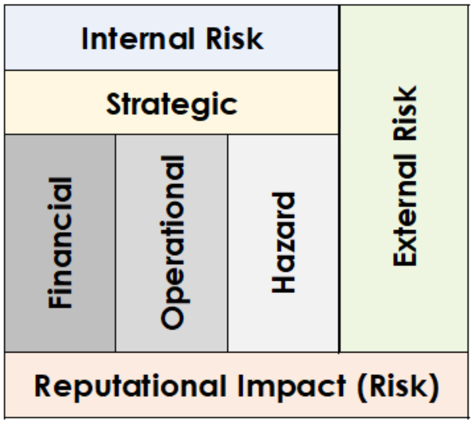

Figure 1 - Interrelationship of Risk & Reputational Impact

Consistently with other years, the 2025 Risk Management Report focuses on specific risk management activities at the University and is intended to provide a basis for the Board of Governors, through its Audit Committee, to assess the effectiveness of the University's risk management program. This report is divided into sections to assist the reader in understanding Risk Management at UNB. The sections highlight key areas of risk management, including the top risks identified in 2025; a look back at the previous year and a look ahead at key priorities and objectives; a status report on the University's insurance program; and a status report on occupational health and safety. In addition, Appendix A, B, C and D have been included to provide more information on the University's approach to assessing and managing risk.

Top Risks

One of the key aspects of UNB's risk management function is to identify, annually, the University's top risks. A typical university has hundreds of risks. This abundance and diversity of risks requires significant resources to identify, prioritize, and manage. To utilize resources effectively, the University has established a process which includes the annual identification, assessment, management, and reporting of the University's top risks.

The top risks have been identified as follows:

REPUTATIONAL IMPACT	**FINANCIAL**
	Financial sustainability
	Student recruitment, enrolment, and retention
	Impact of government policy/decisions
	Reliance on provincial government funding
	Market uncertainty – investments
	PEOPLE AND WELLBEING
	Student, faculty, and staff physical safety and mental health
	Human resources
	Labour relations
	INFRASTRUCTURE
	Deferred maintenance
	OPERATIONAL & STRATEGIC
	Data and information management
	Cybersecurity

Although certain risks are specifically categorized as "financial risks," nearly all risks carry financial implications, and a significant number also affect operational functions.

The table on pages 4-6 summarizes the University's top risks; management processes and plans to address and mitigate the identified risks; and the Board Committee with primary oversight responsibility.

RISK	RISK IMPLICATIONS / CONSEQUENCES	MANAGEMENT PROCESSES	GOVERNANCE OVERSIGHT
FINANCIAL			
Financial sustainability	- Financial instability impacts all aspects of UNB's operations - Insufficient charitable giving restricts our ability to support students and other university initiatives - Budget implications of collective bargaining in extra-ordinary situations	- Established budget process, including the Budget Development Framework	- Board of Governors - Finance and Properties Committee - Advancement Committee
Student recruitment, enrolment, and retention	- Reduced student enrolment related to recruitment and / or retention of students impacts our ability to provide an exceptional learning experience - Poor student outcomes and experiences result in reduced enrolment and retention - Impacts of disruption in labour market related to advancements in artificial intelligence and the associated impacts on recruitment	- Strategic enrolment management plan - Recruitment marketing campaign - Multi-year budget framework linked to academic plans - Continued investment in student support - Supports provided by Student Services in both Fredericton and Saint John (e.g. Student Advocates and Student Accessibility Centres) - AI working groups established to assess the impact on key university functions	- Board of Governors - Finance and Properties Committee - Advancement Committee
Impact of government policy/decisions	- Policy decisions made by federal and provincial governments impact the University's ability to recruit and retain students	- Resources dedicated to government relations - Coordinating response and approach with other post-secondary institutions	- Board of Governors
Reliance on provincial government funding	- Reliance on provincial funding impacts the University's ability to plan and deliver quality education and services - Absence of a multi-year funding agreement limits long-term planning ability	- Resources dedicated to government relations - Implementation of UNB's Strategic Plan – UNB Toward 2030	- Board of Governors - Finance and Properties Committee - Advancement Committee
Market uncertainty – investments	- Insufficient portfolio returns and poor performance restricts our ability to spend from trust and endowment accounts, increasing our dependence on other funding sources - The impact of higher levels of inflation on the university's ability to maintain the current, real spending rate	- Diversification of asset mixes and asset classes - Selection of asset managers with different approaches to mitigate risk in changing markets	- Board of Governors - Investments Committee

RISK	RISK IMPLICATIONS / CONSEQUENCES	MANAGEMENT PROCESSES	GOVERNANCE OVERSIGHT
PEOPLE AND WELLBEING			
Student, faculty, and staff physical safety and mental health	- Insufficient access to mental health supports impacts successful student experiences. For faculty and staff, it can lead to disruptions in service provision and extended absences - Increased experiential learning and global engagement results in increased risk to the physical safety of students and staff - Extra-curricular or student-led activities not in compliance with acceptable risk appetite leading to increased risk exposure	- Various programs and supports provided by Student Services (e.g. Health and Counselling Services, online 24/7 mental health support services, etc.) - Employee Family Assistance Program - Sick leave benefits for employees - Student Event Risk Management Policy and Committee - Academic partnership opportunities are coordinated through the office of the AVP Academic (Partnerships) - Continued development and refinement of pre-departure training - Outbound student abroad travel registry	- Board of Governors - Audit Committee - Finance and Properties Committee - Human Resources Committee
Human resources	- Recruitment and retention of top talent - Insufficient succession planning for key senior positions can lead to unnecessary delays when these positions turnover - Insufficient briefings and institutional support for new leaders can lead to increased turnover and inefficiencies in project advancement - Insufficient leadership development has negative implications for employees (e.g. turnover, decreased morale/productivity)	- Continued commitment to the recommendations from the Administrative, Professional, and Technical compensation review - Leadership development for faculty and staff - Ongoing review of key administrative processes	- Board of Governors - Human Resources Committee
Labour relations	- In a heavily unionized environment, there is an increased possibility of a labour disruption - Resourcing challenges in most administrative units and an increasing number of labour groups creates challenges in the University's ability to effectively provide administrative support - Potential impacts of bargaining cycles at comparator universities on UNB bargaining	- Collective bargaining in keeping with the Strategic Plan - Bargaining teams to have clear mandates, to bargain in good faith - Focus on long-term sustainability, reflective of the economic climate and fiscal realities	- Board of Governors - Human Resources Committee

RISK	RISK IMPLICATIONS / CONSEQUENCES	MANAGEMENT PROCESSES	GOVERNANCE OVERSIGHT
INFRASTRUCTURE			
Deferred maintenance	- Potential building, or equipment failure - Impact on attraction and retention of students, faculty, and staff - Not able to upgrade key infrastructure - Damage to infrastructure	- Capital budget - Capital planning framework - Building facility condition indices (Sightlines) - Leveraging other capital initiatives - Insurance program	- Board of Governors - Finance and Properties Committee
OPERATIONAL			
Data and information management	- Ineffective decision-making exposes the University to unnecessary financial risk, the effects of which can be long-term - Improper handling, storage and / or distribution of data/information	- Projects are ongoing to update and improve the ERP system and related IT infrastructure - IT governance structure - Continued advancement of IT risk assessment and establishment of IT risk registers - Policies to designate one central source of information (e.g. information security policy) - Records Management, Access and Privacy Coordinator within the Secretariat's Office serves as a resource to the University community	- Board of Governors - Audit Committee
Cybersecurity	- Potential loss of access to key systems required to achieve mission - Loss of data, personal information	- IT Security Strategy developed - Beauceron training for faculty and staff - Ongoing and continuous review of system access - After-hours network and system monitoring, detection, and remediation service - Insurance program	- Board of Governors - Audit Committee

A Year in Review and A Look Ahead

The 2024 Risk Management Report identified goals and objectives for 2025. These were chosen to ensure continued development of a culture of intelligent and informed risk taking which is linked to UNB's key strategic objectives. New initiatives are planned to create greater awareness and understanding throughout the University. A brief synopsis of the activities of the past year and goals and objectives for the coming year is provided below.

Risk Governance

Risk management's continued involvement in key university matters ensures consistent overall guidance on risk management matters, including identifying and assessing key risks. Annual discussions with committees of the Board of Governors ensure top risks are aligned with the University's strategic goals.

Sustainable Enterprise Risk Management

In 2025, a strategy was developed to implement an enterprise risk management (ERM) program at UNB. In collaboration with an industry expert, a year-long project has begun to develop a modern and sustainable enterprise risk management (ERM) process at UNB. This initiative, with the objectives of providing education to key administrators, development of an ERM framework, establishing a key risk register, and establishing a sustainable risk review and reporting process, will leverage existing resources to implement an effective ERM program that can be supported by the university community.

Risk Management

The past year saw continued progress in aligning the occupational health and safety functions on both campuses with the move to a single online reporting system for reporting workplace accidents, standardization of policies and operational procedures, and continued collaboration and support between campuses. Looking forward to 2026, work will continue to ensure consistency in the university-wide delivery of occupational health and safety services.

In 2026, the process of handling, storing and disposing of hazardous waste will be further addressed through standard processes and procedures with a focus on reducing disposal costs. Key messaging on issues of occupational health and safety will be distributed to the university community ensuring consistency in communication and ongoing education. In 2026 key objectives include streamlining and standardizing reporting for life safety inspections (i.e. eye wash stations) and initiatives.

Key Mitigation Strategy Development

An analysis of the university insurance portfolio was completed in 2025 with a focus on coverage wording and exclusions. This is a starting point for ongoing and continued refinement of the university's insurance coverage. Through the efforts of Capital Planning & Operations and individual departments and faculties, UNB has completed 81% of the CURIE Loss Control recommendations to date. As this program evolves, UNB will continue to allocate resources available to address loss control and risk mitigation. Policy development, communication and education, both at the individual level and campus wide will continue in 2026.

Insurance Program Status Report

The University of New Brunswick maintains a comprehensive insurance program which is deemed to be appropriate to cover insurable risks consistent with University related activities.

ITEM	2025	2024	COMMENT
Insurance Program			
Overall	●	●	Premiums generally decreasing, coverage limits and/or exclusions remain stable. To date, the overall premium change across all policies is a decrease of approximately 7%
Property	●	●	Approximate 6.1% increase in property values and an approximate 8.6% decrease in premium because of a better than market average rate decreases on the CURIE property insurance program and UNB's favourable loss factor rating
Liability	●	▽	Approximate 2.4% increase in premium due to an increase in UNB's Loss Factor Ratio (a ratio of the 5-year rolling average of claims paid to premiums paid)
Other	●	●	Policies renewed with premium changes ranging from a 41% decrease to a 44% increase. The average decrease was 2%. Large fluctuations due primarily to increase/decrease in insured limits. Rising inflation, climate change, long-tail liability exposures (e.g. sexual abuse and concussion injury), and global conflict continue to drive policy underwriting decisions
Insurance Claims			
Overall	●	●	Claims experience comparable to prior years
Property	●	●	No new property claims
Liability	▽	●	Pending liability claims
Other	●	●	No new claims that are not auto claims
Self-Insurance Reserves			
	●	●	Reserve balances in excess of guidelines. Excess continues to be directed to loss control recommendations.
Insurance Outlook			
	●	●	Excess insurers and reinsurers are experiencing a period of capital growth, manageable catastrophic losses, favorable underwriting and strong investment returns. Steady earnings and increasing capital levels have resulted in abundant capacity, which in turn has led to declining pricing.

Legend

- ● **Acceptable**
- ▽ **Concern**
- ⬢ **Significant Concern**

Occupational Health and Safety Status Report

The University of New Brunswick's occupational health and safety program oversees the administration of the University's obligations under the NB Occupational Health and Safety Act. The four main areas of oversight are workplace health and safety, radiation safety, bio-safety, and chemical safety.

ITEM	2025	2024	COMMENT
Workplace Health and Safety	▽	● - ▽	**Consistent delivery of core functions, supporting legislative compliance and organizational objectives, ensuring standards of service delivery met.**
Safety Orientation	● - ▽	● - ▽	Employee orientation conducted as required; process under review to improve efficiency, consistency, and automation.
WorkSafeNB (WSNB) Visits	●	● - ▽	Routine visits by inspectors completed. Feedback included noted increased compliance with emergency shower inspections and ensuring employee training is documented. One worksite inspection completed.
WorkSafeNB Orders	● - ▽	● - ▽	No orders issued.
Fire Safety	● - ▽	●	Fire Safety Plan annual review ongoing. Spring and fall fire drills completed - identifying areas where improvement in response times is needed. Need for collaboration at planning stages of capital projects identified.
Health and Safety Program	▽	▽	Policy work continues.
Life-saving equipment	●	●	Monthly inspection of life safety equipment, including AEDs, EpiPens and naloxone, completed by EHS, with replacement parts/supplies ordered as required.
Training	●	●	Training continued as required for joint health and safety committee members, first aid/CPR, Transportation of Dangerous Goods, fire safety, naloxone, N95 mask and respirator fit testing.
Radiation Safety	●	●	**Online radiation safety training launched; Radiation Safety Committee mandate and expertise expanded to include x-ray and laser oversight.**
Inspections/reports	●	●	Quarterly and annual reports completed.
Radioactive Waste	●	●	None.
Radiation Safety Manual	●	●	No changes.
Bio-Safety	●	▽	**Incident reporting completed. Online bio-safety training launched; incorporating new biosecurity training modules.**
Inspections/reports	●	●	Internal inspection process required.
Biological waste	●	●	Sharps & animal waste disposal completed.
Bio-Safety Committee	●	●	Committee work ongoing. Implementation of additional control processes implemented to address non-compliant files.
Bio-Safety Manual	●	●	Annual review completed with minor revisions.
Chemical Safety	●	●	**Campus-wide inventory updated, safety issues identified for resolution. Continuous improvement initiatives remain ongoing.**
Chematix	▽	●	Information updated as needed. Chematix software approaching end of life. Search for replacement software initiated.
Annual chemical lab inspections	●	●	All chemical laboratories reconciled/inspected; including spot check verification of fume hood inspections.
Chemical reporting	●	●	Regulatory reporting completed at federal, provincial, and municipal levels - including toxic substance prohibition, chemical weapons compliance, environmental emergency obligations, and wellfield reporting.
Hazardous Waste	▽	●	Ongoing and increasing. New chemical handling and lab checkout standard operating procedures are being developed for testing and implementation in 2026.

Legend

- ● **Acceptable**
- ▽ **Concern**
- ⬣ **Significant Concern**

APPENDIX A

Risk Appetite Statement

UNB is, and intends to remain, a successful, sustainable institution by implementing the key directions of the Strategic Plan – UNB Towards 2030. The UNB community understands that there are risks in everything that we do and risk taking must occur if UNB is to innovate and improve. That said, UNB is committed to intelligent risk taking, whereby the risks will be identified, assessed, and managed within a risk management framework ensuring that the risks are understood and managed effectively in order to achieve our goals.

While pursuing innovation and improvement, UNB will not compromise its reputation for teaching, learning and research.

	Very Low	Low	Balanced	Moderate	High
We accept a **very low risk** in areas of:					
- Faculty, staff and student safety,	✓				
- Business continuity management (including IT),	✓				
- Compliance with legislative, regulatory requirements and ethical matters.	✓				
We accept a **low risk** in the areas of:					
- Student experience,		✓			
- Research and teaching quality,		✓			
- Financial and asset management,		✓			
- Student data and reporting.		✓			
UNB encourages entrepreneurship and innovation. UNB recognizes that risk is inherent in new activities and approaches; therefore, in the following activities we also accept a **balanced to moderate** level of risk:					
- Teaching, learning and research opportunities,			✓	✓	
- Developing and implementing new and original strategies			✓	✓	
- Workplace and campus innovation			✓	✓	
- Relationships with local and global enterprises and communities.			✓	✓	

Risk Appetite Thresholds

Level of Risk		Definition of Thresholds	Examples of Inherent Risk Levels
5	High	Inherently high level of risk in the opportunity being pursued. A negative result is virtually certain to occur – what is unknown is the severity and timing.	1. IT outage (mitigation strategy Disaster Recovery Plan) 2. Varsity sport injury (mitigation strategy qualified coaches and trainers, policies)
4	Moderate	There is some risk associated with the opportunity being pursued. There may be some actions to mitigate the risk.	1. Investment losses in a market downturn – investment policies 2. Research activity
3	Balanced	There is some risk associated with the opportunity being pursued. However mitigating actions have reduced these risks to a low level or exposure.	1. Fire damage to a building – property insurance, safety policies and procedures 2. Research activity – with policies and procedures to limit risks (e.g. animal care policy, internal controls over spending)
2	Low	University will only accept opportunities with risks attached that will not result in significant exposure or loss.	1. We do not allow dangerous activities on campus with out appropriate policies and procedures 2. We do not invest in speculative investments
1	Very Low	There are no circumstances under which the University will accept an opportunity that has risk.	1. Compromise of ethical standards is never a consideration

Inherent Risk Exposure Matrix

Severity					
5		A	J, K		
4		E	B, D, G, I	H	C
3					
2				F	
1					
	1	2	3	4	5

Probability

2024 TOP RISKS

A	Financial sustainability
B	Student recruitment, enrolment, and retention
C	Impact of gov ernment policy/decisions
D	Reliance on prov incial gov ernment funding
E	Market uncertainty - inv estments
F	Student, faculty and staff safety and mental healt
G	Human resources
H	Labour relations
I	Deferred maintenance
J	Data and information management
K	Cybersecurity

(impacts ov er 12-24 months with no additional risk mitigations)

	Serverity Factors			
	Safety	**Reputation**	**Financial**	**Recovery**
5	Loss of Life	Stakeholder intervention	More than 10% of budget	10+ days to recover
4	Lost time injury with permanent disability	Loss of stakeholder support and trust	Between 5%-10% of budget	5 -10 days to recover
3	Lost time injury	Sustained complaints by multiple stakeholders	Between 3% and 5% of budget	3 - 5 days to recover
2	Injury that requires treatement	Multiple Stakeholder complaints	Between 1% and 3% of budget	1 - 3 days to recover
1	Injury but no treatment required	Stakeholder complaint	Less than 1% of budget	Less than 1 day to recover

	Probability Factors
5	Expected to occur (almost certain)
4	Probably will occur (Likely)
3	Might occur (moderate)
2	Could occur (unlikely)
1	May occur (rare)

* Adapted from Memorial Univ esrity Enterprise Risk Management Framework 2019

Top Risk Identification and Assessment

Top Risks	Impact on Strategic Goals: Research Impact	Transformative Education for the Future	Engagement and Impact	A People-Centric Values Informed University	A Modern, Integrated, Sustainable UNB	Risk Gap Assessment: Current Risk Assessment	Risk Appetite Threshold
Financial sustainability	√	√	√	√	√	moderate	low
Student recruitment, enrolment, and retention	√	√	√	√	√	moderate	low-mod
Impact of government policy/decisions	√	√	√	√	√	high	balanced
Reliance on provincial government funding	√	√	√	√	√	moderate	moderate
Market uncertainty - investments	√	√	√			balanced	moderate
Student, faculty and staff physical safety and mental health		√	√	√		balanced	very low
Human resources	√	√	√	√	√	moderate	low-mod
Labour relations	√	√	√	√	√	moderate	low-mod
Deferred maintenance	√	√	√		√	moderate	moderate
Data and information management	√	√	√		√	moderate	low
Cybersecurity	√	√	√	√	√	moderate	low