

PURPOSE

The state risk management fund provides insurance for university-owned moveable equipment and moveable equipment purchased with federal funds. The state fund property insurance policy provides coverage requiring a \$1,000 per occurrence deductible.

To provide a means The purpose of this policy is to clarify the procedure for funding, in part, the deductible portion of the cost of replacing university-owned movable equipment and university-owned personal property or movable equipment purchased with federal funds which is lost, stolen, or destroyed.

REFERENCES

Policy and Procedures 3-40, Property Management
Utah State Risk Management Insurance Policy

DEFINITION

University property, as used in this policy, means university equipment, machinery, furnishings, and other movable property which is not part of or affixed to a building or to land.

POLICY

Property Insurance Fund

The university will provide insurance to cover losses of university property. To acquire coverage at reasonable rates, certain types of losses may not be insured, and a deductible provision will normally be included in the insurance policy terms and be applicable to most losses incurred.

B. Payment of Deductible Requirement

1. University departments and operating units have the primary obligation to defray any uninsured losses, and to pay the deductible portion of losses of university property. However, the university will establish and administer a fund from which a portion of such losses will be paid under appropriate circumstances.

2. Except as otherwise provided herein, the university insurance fund will defray that portion of each specific uninsured or deductible loss of university property that exceeds \$500, based on replacement cost of the item. If the item is not replaced, reimbursement will be based upon the actual cash value, defined as replacement cost less depreciation, as determined by the university's risk manager.

3. University property losses up to the amount of \$500 must be absorbed from funds available to the department operating unit which had management responsibility for the missing or damaged property.

C. Exclusions

The university property insurance fund will not cover any part of the loss, theft, or destruction of:

1.University property which was not properly recorded on the records of the Property Management Department prior to the loss.

2.University property, the loss of which was not reported in writing to the University Public Safety Department within 24 hours after discovery of the loss.

3.University property in the custody or control of a department or operating unit which, because of non-compliance with risk minimization recommendations made by Public Safety, the Internal Audit Department, or the risk manager had previously been advised in writing that it was ineligible to participate in the property insurance fund program.

4.Personal property owned by university personnel, students, guests, or other individuals, even though said property was on university premises at the time of loss.

5.University property removed from its campus location to an off-campus location without proper authorization.

D. Amount of Fund

The property insurance fund will be centrally funded by the university in an amount approved annually by the president or his/her designee.

1.Operating units assume the first \$500 of any equipment loss. The amount to be budgeted annually for the property insurance deductible fund shall be recommended by the vice president for administrative services used to pay the difference between the \$500 departmental deductible and the \$1,000 deductible charged by the university's property insurer.

2.Operating units that are not funded primarily from state appropriations, including but not limited to auxiliary enterprises and service units, are encouraged to participate in the insurance program but are not required to do so. If such an operating unit participates in the program, an appropriate contribution to the property insurance deductible fund program will be required, in an amount based on the value of university property assigned the unit or other appropriate criteria as determined by the vice president for administrative services, or his/her designee.

V. PROCEDURES

A. Actions Required in the Event of Loss

Upon discovery of a loss or disappearance of university property, the head of the concerned operating unit shall:

1.Immediately notify the campus Public Safety Department of the loss by telephone or in person.

2.Advise the university risk manager of the loss by telephone and provide to the university risk manager and the Public Safety Department a written explanation of the relevant circumstances surrounding the loss.

3.Prepare and supply, upon request, to responsible university officials, a descriptive list of the lost or missing items, including the university identification and serial numbers of the property in question.

4.Cooperate with investigations by Public Safety and the risk manager.

B. Responsible Unit Officer

The head of each department or operating unit shall designate a specific individual to be responsible for maintenance of an accurate departmental inventory of university property.

CB. Risk and Insurance Manager

The university risk and insurance manager is responsible for:

1.Investigating claims and maintaining claim files of loss or damage of university-owned movable equipment, or movable equipment purchased with federal funds, property and providing payment from the university's selfproperty insurance deductible fund for claims which are deemed valid and covered by the selfproperty insurance program.

2.Calculating, and recommending to the vice president for administrative services or his/her designee, the contributions to be required of auxiliaries and service units for participation in the selfproperty insurance deductible program.

3.Maintaining records and submitting annual reports to the vice president for administrative services, or his/her designee with respect to the operations of the property insurance program.

4.Planning, directing and controlling the risk management and insurance functions for the University Property Insurance Program and disseminating related information to the university community.

5.Recommending loss reduction procedures applicable to university property.

6.Representing the university in dealing with insurers to resolve coverage, loss adjustment or disputes and providing insurance underwriting information, including property locations and values.