

OSU INSTITUTE OF TECHNOLOGY
POLICY & PROCEDURES

Property Insurance	3-024 FISCAL SERVICES May 2013
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POLICY

- 1.01 The State of Oklahoma has established a property insurance program that will insure nearly all real and personal property owned by state agencies. The purpose of this policy is to describe perils covered, the property that can be insured, the property which is excluded from coverage and the conditions under which coverage will be provided to OSU Institute of Technology (OSUIT) and its constituent agencies.

PROCEDURES:

- 2.01 Perils covered include fire, lightning, windstorm, hailstorm, flood and water damage, and other acts of God, smoke damage, and boiler explosion.
- 2.02 Perils not covered include loss and theft of property. Wear, tear, rust, dry rot, or settling, shrinking, or bulging of property are not covered perils.
- 2.03 Buildings and equipment, artwork, and valuable papers are insured under the program. Property that is under the care, custody and control of the university may be insured provided the contract with the owner contains a specific provision requiring insurance coverage. There is a limit of \$250,000 for losses to artwork and a limit of \$2,500,000 for losses of valuable papers.
- 2.04 Specialized coverage may be secured for loss of income, commonly called business interruption insurance. This coverage is limited to buildings which have bonded indebtedness and a very limited number of auxiliary enterprise operations.
- 2.05 Aircraft, motor vehicles, contractor's equipment stored on premises, and off-road equipment are uninsured property. Outdoor signs and non-structural improvements generally will not be covered. There is no coverage for money, securities, plants, animals, and property of students. Transmission and distribution lines exceeding the first 1,000 feet are not covered.
- 2.06 Coverage is not automatic. Each building and its contents must be reported to the State of Oklahoma Risk Management Division.

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- 2.07 Equipment inventory and building values have been reported based on the inventory maintained in the Inventory Section. If units have additional equipment that needs to be insured, a detailed listing must be prepared and submitted to the Vice President for Fiscal Services for submission to the University Risk Manager.
- 2.08 The insurance premiums charged by the State Risk Management Division for the university's coverage are based on the values reported to them by the university. Generally, premiums for buildings and equipment used for instruction purposes will be charged against E & G funds. Auxiliary Enterprises and units considered as auxiliary or supportive service shall be responsible for paying the premium assessments for departmentally owned buildings and equipment.
- 2.09 The premiums for additional equipment, artwork and valuable papers are the responsibility of the owning unit.
- 2.10 In the event of a loss, the university will be required to absorb the first \$50,000 of the claim. Any amount of loss after the initial \$50,000 will be paid by the State of Oklahoma. This deductible is to be applied to the university on an "occurrence" basis. (Example: If losses were to be incurred by several buildings at the same time, the deductible would be applied to the total claim and not to each building.)
- 2.11 All damages or losses must be reported to OSUIT's Physical Plant Services. Physical Plant staff will examine each reported incident, determine the amount of the loss, and file an incident report with the Vice President for Fiscal Services who, with the University Risk Manager, will be responsible for coordinating and filing all loss reports and securing reimbursement for the campus.

Revised: February 2008
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