

Oklahoma State University Policy and Procedures

PROPERTY INSURANCE

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BUSINESS & FINANCE
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GENERAL STATEMENT

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 Oklahoma State University and its constituent agencies.

POLICY

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 Uncovered perils include loss and theft of property. Wear, tear, rust, dryrot, or settling, shrinking, or bulging of property are also uncovered 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 and animals, and property of students. Transmission and distribution lines exceeding the first 1,000 feet are also uncovered.

2.06 Coverage is not automatic. Each building and its contents must be reported to the State of Oklahoma Risk Management Division.

2.07 Equipment inventory and building values have been reported based on the inventory maintained in the Inventory Section. If departments have additional equipment that needs to be insured, a detail listing must be prepared and submitted to the University Risk Manager for submission to the State Risk Management Division.

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. Each agency of the University shall be responsible for paying its premium. Generally, premiums for buildings and equipment used for education, research, and extension purposes will be charged against revolving funds. Auxiliary Enterprise departments and departments considered as auxiliary or supportive service departments 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 for the owning department.

2.10 In the event of a loss, the University will be required to absorb the first \$20,000 of the claim. Any amount of loss after the initial \$20,000 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 the Physical Plant Division. Physical Plant staff will examine each reported incident, determine the amount of the loss, and file an incident report with the University Risk Manager. The Risk Manager will be responsible for coordinating and filing all loss reports to the State Risk Management Division and securing reimbursement for the University.