

Loss Reimbursement Policy

Reimbursement Policy for Property Damaged or Stolen

The University has commercial insurance coverage for its property. This coverage is provided on a blanket basis, covers all University property from equipment to buildings and by contract for items under our care, custody and control.

The University's deductible is generally \$1 million. The General Fund finances most of this, charging each Department a \$50,000 (\$95,000 water related) deductible per occurrence for a bona-fide loss.

University computers and equipment in individuals' homes and vehicles are covered by the individual's insurance coverage (Homeowners Policy). Do not leave any items valuable items in plain view, unsecured in a public place, auto or their work place. To the extent the individual's coverage is insufficient; the University's coverage might possibly apply, considering the circumstance of the loss, which is subject to the Department's deductible. Property belonging to individuals brought into the workplace is their responsibility and is not eligible for University reimbursement. Personal items are at the employees own risk, they should be secured in a locked drawer or locked office. Personal items are not covered by the University and should be insured by the employees' personal insurance.

Property losses are adjusted as follows: Payment to a University Department will be made only after evidence of the loss has been reviewed and approved by Risk Management. This usually includes Police Reports or other similar evidence that an insurable loss has occurred. Damage, wear and tear due to lack of maintenance or proper care is not an insurable occurrence. If a qualified peril causes the damage, property must be repaired or replaced before reimbursement will be made. Adjusting of a claim, may vary within the university retention, verses claims against a third party loss or the University property carrier. Real property is adjusted on a replacement cost basis, subject to the applicable deductible. The replacement cost is to perform necessary 'like and kind' repairs or to replace a comparable building. Any improvements in size or quality are costs borne by the Department.

Computer losses are reimbursed as follows: Computers are depreciated on a three-year straight-line basis from date of purchase. The lesser of the depreciated basis, or the replacement cost of a comparable unit is the amount available for reimbursement. The applicable deductible is subtracted from that, and the result is reimbursed to the Department. Other personal property is adjusted as computers, except the economic life for depreciation is dependent on the item. Industry accounting standards are utilized.