



THE RESEARCH FOUNDATION

The State University of New York

Project Related Property Insurance

Sponsor Regulations

Providing insurance availability allows the Research Foundation to comply, in part, with OMB Circular A-110 guidelines for safeguarding property purchased with federal funds and furnished directly by federal agencies.

Sponsors may insist upon coverage of property that they furnish, that is acquired with their funds, or that is leased with their funds. They may also disallow using their funds for insurance. When title is retained by the sponsor, their guidelines must be followed. All requests for insurance must be checked by the grant administrator to ensure that they are allowable expenses.

Research Foundation insurance may be obtained for loaned and leased property if allowed by the sponsor and if not provided by the loaning or leasing agency. The sponsor and lessor agreements must be reviewed to determine whether insurance is allowed and, if so, who is responsible for providing it.

Shipping Insurance

Shipping insurance is most frequently furnished by vendors and, whenever possible, vendor insurance should be requested and relied upon. When the vendor provides delivery, they are responsible for insurance until the property is received by the purchaser. A statement to this effect is part of the standard RF purchase order agreement. However, when transportation of purchased items becomes the responsibility of the purchaser, the project director must decide whether shipping insurance should be obtained, budget for the coverage, and initiate the acquisition of insurance coverage.

Procedure for Obtaining Insurance

Project directors may obtain and renew insurance through the Research Foundation by requesting coverage from the campus sponsored programs office and submitting the information required on the Equipment Floater Form to the Office of General Counsel and Secretary.

The Office of General Counsel and Secretary calculates the premium based on the value of the property and initiates the acquisition of coverage. Coverage can be immediate or can be set up to start at a specified date in the future. The premium rate for property insured under the inland marine equipment floater policy is .86 cents per \$100.00 with a \$250.00 deductible. For fixed or stationary items valued at greater than \$100,000 and for items that are not portable, a special equipment policy with a lower premium rate may be negotiated by the Office with the insurance carrier.

Deductibles and Limitations

When an insurance policy has a deductible associated with it, payment of the deductible is a responsibility of the operating location and will be paid out of appropriate account funds as designated by the operations manager.



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The marine floater coverage is an "all risks" policy insuring against property damage or loss from external cause. The coverage includes property that is portable and extends beyond the bounds of the University location. It does not provide coverage for wear and tear from use, loss caused by dishonesty of employees, or damage caused by electrical breakdown or failure.

Depreciating and Termination of Coverage

As a policy, the Research Foundation encourages project directors to consider that coverage should secure the cost of replacement of critical property during the project term.

For most equipment, value decreases with age. Appropriately decreasing coverage with time lowers premiums and makes for maximum fiscal economy. After project termination, if the property is retained, further insurance is available. Insurance is automatically terminated if not renewed.

When property is disposed of, insurance should be terminated. No provision for pro-rating insurance is available when termination occurs within a yearly cycle. Project directors are encouraged to consider the dates involved and to plan accordingly.

Research Foundation Responsibilities

The Research Foundation has assumed responsibility for making insurance available for property involved in sponsored projects. Through the Research Foundation's carrier coverage is available at a significantly reduced rate.

With regard to property, the Office of General Counsel and Secretary is experienced in answering questions related to types of coverage, amounts for budgeting, etc. The office will provide advice on coverage amounts, but the final decision about amount and the responsibility for obtaining coverage is left to the project director.

Project Director Responsibilities

Project directors working in cooperation with their operations managers are responsible for requesting insurance coverage when project equipment insurance is desired or required, paying insurance costs through budgeted project accounts, and renewing insurance by responding to renewal notifications sent from the Office of General Counsel and Secretary.

Project directors may be held accountable for items for which they fail to obtain insurance.