Project Related Property Insurance

Purpose
This document provides information pertaining to property insurance.

Sponsor Regulations
Providing insurance availability allows the Research Foundation to comply, in part, with 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.
- initiate the acquisition of insurance coverage.

Equipment Insurance Module
The Office of the Chief Financial Officer maintains the Equipment Insurance Module in the RF Oracle business system, which records all insured Research Foundation property. A provision is made within each record for increasing value as a result of modifications or enhancements. The database is used for claims when property is lost or stolen and it provides a means for identifying recovered items. The database is used to track when renewals for insurance are necessary and issue advance notifications to campus sponsored programs offices.
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 the Chief Financial Officer, via email to rfinsurance@rfsuny.org or by faxing to (518) 935-6712.

The Office of the Chief Financial Officer 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 .76 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 of the Chief Financial Officer 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.

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.

Insurance on Decentralized Campuses
Property insurance has been decentralized to SUNY Albany, Stony Brook, and Buffalo State College because so much insurance is obtained at those locations. Insurance must still be obtained through the Research Foundation's carrier. However, transactions for acquiring insurance are managed directly between their Office for Research and the insurance carrier. Renewal

https://portal.rfsuny.org/portal/page/portal/ver-1/Property_Management/Policies%20and%...
notification at these locations is a responsibility of the campus. The Office of the Chief Financial Officer remains the office of record, and must be copied on transmittals submitted to the insurance carrier for coverage.

**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.

The Office of the Chief Financial Officer is responsible for

- processing requests for insurance.
- processing insurance claims.
- serving as a legal information resource.
- notifying the campus sponsored programs office of the need for renewing insurance (except for SUNY Albany, Stony Brook, and Buffalo State College).

With regard to property, the Office of the Chief Financial Officer 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.

**Operations Managers Responsibilities**
The RF operations manager is responsible for ensuring that the campus is complying with the Property Insurance policy.

**Project Director Responsibilities**
Project directors working in cooperation with their operations managers are responsible for

- requesting insurance coverage from the Research Foundation when project equipment insurance is desired; no property insurance is provided without their request for it.
- paying insurance costs through budgeted project accounts.
- renewing insurance by responding to renewal notifications sent from the Office of the Chief Financial Officer or their Office of Research.

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

**Change History**

- **April 11, 2011** - Updated department contact name, RFInsurance email address, fax number and premium rate.
- **January 9, 2007** - Removed reference to EPSS and updated premium rate.
was extracted and is now in a new document "Property Insurance Policy."

Feedback
Was this document clear and easy to follow? Please send your feedback to webfeedback@rfsuny.org.

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