

## Property Insurance

Losses to buildings and contents owned by Florida State University (FSU) or coverage required under the terms of a lease agreement are covered in accordance with Florida Statute 284. Deductibles vary and are based on the type of loss incurred.

Coverage for all University owned buildings and contents must be secured and maintained in accordance with Florida Statute 284. The Department of Financial Services (DFS), Division of Risk Management administers the Property Insurance program for the State of Florida.

### **Covered Perils**

- Fire
- Lightning
- Windstorm
- Hail
- Explosion
- Riot/Civil Commotion
- Aircraft/Vehicle Damage
- Smoke
- Flood
- Sinkhole Collapse

### **Obtaining Coverage**

It is the responsibility of the Environmental Health and Safety Risk Management Office to ensure that all FSU-owned buildings and FSU-owned contents are adequately insured under the State Risk Management Trust Fund. The Insurance & Claims Manager within the Risk Management Office is responsible for coordinating this process. This process is accomplished by working with Facilities Project Managers, the University Lease Administrator, Facilities Space Management and other responsible parties.

To obtain coverage, the following steps must be completed by the Facilities Project Manager or other responsible party.

1. The Insurance & Claims Manager must be notified when a new or renovated building reaches substantial completion, a building is scheduled for demolition, or the University takes possession of an existing building.
2. For newly constructed buildings and buildings that have been substantially renovated, the Building Code Administrator must also provide the Insurance & Claims Manager with a Certificate of Occupancy.
3. With the exception of a building that is to be demolished, an electronic [Building Insurance Request Form](#) must be completed and submitted to the Insurance & Claims Manager. Please note, the [Building Insurance Request Form](#) must be completed in its entirety and can only contain one building or structure per form.
4. Pictures of the exterior (front, sides and rear) of the new or renovated building must be submitted to the Insurance & Claims Manager.

5. Upon receipt of this information, the Insurance & Claims Manager will secure coverage for the building and send a confirmation to requester. Upon confirmation of coverage, the Insurance & Claims Manager will give approval for cancellation of any Builder's Risk Insurance.

### **Building Valuation**

When establishing the value of a building, only the portion within the building envelope shall be considered. Exclusions to the building envelope are listed below. The building envelope should only include the occupancy, gross square footage, construction type, and materials.

An estimation of the building contents value must also be provided.

Upon receipt of the completed Building Valuation Form, pictures of the building, and the Certificate of Occupancy, the Insurance & Claims Manager will obtain coverage for the property listed and provide the person submitting the request for coverage an email confirming that coverage was secured and authorize the Builder's Risk Insurance to be cancelled.

When a building is going to be demolished, it is the duty of the Associate Vice President of Facilities or Project Manager to notify the Insurance & Claims Manager. An electronic [Building Deletion Form](#) must be completed and forwarded to the Insurance & Claims Manager prior to the date of demolition so property coverage can be terminated.

Exclusions to Building Envelope:

- Land
- Parking Lots and other Paved Surfaces
- Bridges, Roadways, Walks, Patios
- Exterior Lighting
- Fences
- Unattached Radio or Television Antennas
- Signs
- Pilings, Piers, Wharves, or Docks
- Utilities
- Building Foundations
- Machinery and Boilers
- Retaining Walls not a part of the building
- Underground Pipes, Flues, Drains, or Electrical and Communication Wiring
- Landscaping including Trees, Shrubs, and Plants
- Cost of Excavations, Grading, Backfilling, or Filling
- Excess Architectural and Engineering Fees-defined as costs associated with any element of the contracted cost of a building, which is not covered for loss under our policy. Example: The cost for parking lots surrounding a building is not insurable under our policy. The associated A&E costs embedded in the contract for these parking lots are also not eligible for coverage. The applicable values are "Excess A&E fees" and should be removed from consideration in calculating the ACV for insurable value.

### **Leased Property**

When leasing space not owned by FSU, the University Lease Administrator will notify the Insurance & Claims Manager via email and notify the Department leasing the property to contact the Insurance & Claims Manager to obtain insurance coverage for contents.

In accordance with Florida Statute 284, all contents owned by State of Florida agencies must have insurance coverage under the State Risk Management Trust Fund.

In order to obtain this coverage, an electronic [Building Valuation Form](#) must be completed. This form is usually completed by the Leasing Management Company relative to the building envelope (see Building Valuation section) and the contents information should be provided by the Department requesting coverage.

Once completed, the form, along with pictures of the building being leased, must be forwarded to the Insurance & Claims Manager to obtain coverage through DFS.

It is the responsibility of the Department leasing the space to advise the Insurance & Claims Manager on an annual basis, no later than February 1, of any changes in contents values so insurance coverage can be updated. If there are substantial additions or deletions to the content values during the year, the Insurance & Claims Manager should be notified immediately.

The Department leasing the building is also required to notify the Insurance & Claims Manager by March 1 if a lease will be renewed or non-renewed. Failure to notify the Insurance & Claims Manager will result in automatic coverage based on the value previously provided.

### **Rental Income (Bond Insurance)**

All Residence Halls financed in whole or in part by revenue bonds are provided with Rental Value Insurance. This insurance is provided for the purpose of indemnifying the department for the actual loss of rental value sustained due to necessary suspension of operations during the period of restoration. This suspension must be caused by direct physical loss of or damage to property caused by or resulting from any covered peril.

Rental income insurance is required by the terms of any bonding, revenue certificates, or resolutions. The Bond must identify the name(s) of the property for insurance to be in place.

The amount of insurance coverage is one times the amount of annual income for a building. The University Housing Department must provide the Insurance & Claims Manager with a copy of the revenue bond listing the structure along with the annual value of the rental expense in order for coverage to be secured by the Department of Financial Services.

### **Deleting Coverage**

When a building is going to be demolished, it is the duty of the Associate Vice President of Facilities or Project Manager to notify the Insurance & Claims Manager. A [Building Deletion Form](#) must be completed prior to the date of deletion so property coverage can be terminated.

### **Claims Processing**

In the event of a loss occurring because of a covered peril, the affected department must immediately comply with the following:

- Notify the University Fire Safety Coordinator if the loss is due to a fire, or if the fire alarm system or fire equipment has been impacted.

- Notify the FSU Insurance & Claims Manager.
- As economically possible, protect the property from further damage using reasonable care.
- Make a list of all contents damaged and provide the values.
- Departments should maintain an up-to-date property list. Before loss photos are beneficial.
- Take as many photos of the damage as possible prior to any repairs and store on a CD-ROM or equivalent electronic media storage device.
- Photos should document the damage caused by the event(s). They should document the damage to the exterior and interior of the building and any contents.
- Keep documentation of expenses incurred to prevent further damage.
- If wind and/or flood damage occur, losses will be handled separately, and expenses should be kept separate.
- Keep a log of all repairs performed, including the costs of the repairs, work orders, purchase orders, invoices for services, etc.
- Provide a written report assessing the damage caused by the loss. This information can be obtained from Architectural or Engineering Reports.

The department shall provide this information to the Insurance & Claims Manager who will then report the claim to Department of Financial Services (DFS). The above information will support the claim filed for the loss. The Insurance & Claims Manager will work with the department and DFS until the loss has been fully repaired and the claim has been considered by the State Risk Management Trust Fund. As the claims filing process is extremely complex, please contact the Insurance & Claims Manager for any questions or assistance.

### **Premiums**

In accordance with Florida Statute 284.02, the Department of Financial Services (DFS) calculates annual property premiums charged to the University prior to the start of each fiscal year. Premiums are assessed in a retrospective manner for coverage provided during the prior fiscal year and are based on insured values, exposure to losses, and experience (actual loss history).

Once the premiums have been calculated, an invoice is submitted to FSU, Department of Environmental Health & Safety (EH&S). EH&S will issue payment for all premiums assessed by DFS from the general account of EH&S. EH&S will bill all non-E&G budget entities in July for reimbursement of their portion of the premiums charged.

### **Building Valuation Updates**

The University has all owned buildings and contents professionally appraised to determine their Actual Cash Value (ACV). This appraisal includes improvements and betterments to all buildings made throughout the lifetime of the building. This appraisal uses applicable standard appraisal techniques conforming to the Uniform Standards of Professional Appraisal Practices. The University will utilize the values obtained through the appraisal process to establish the basis for ACV for each building and contents.

At the beginning of each fiscal year, DFS provides FSU with a copy of the Property Schedule that lists all buildings and contents showing the ACV used for establishing insurance premiums. This schedule is based on information provided to DFS by FSU throughout the previous fiscal year. The Insurance &

Claims Manager reviews and adjusts the Property Schedule annually. Updated values are provided to DFS annually prior to February 1<sup>st</sup>.

The value of the ACV FSU-owned contents is determined by the appraisal. Each Department is encouraged to contact the Insurance & Claims Manager with any large changes made in the contents values of buildings as they are modified or purchased.

To speak with the Insurance & Claims Manager for Property Insurance please call (850) 644-6895 or email [EHS@fsu.edu](mailto:EHS@fsu.edu).