

## Project Related Property Insurance

**Effective Date:** September 28, 2016  
**Function:** Insurance  
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### Basis for Procedure

Sponsors may insist upon insurance coverage of property or equipment that they furnish, that is acquired with their funds, or that is leased with their funds. Providing insurance availability allows the Research Foundation to comply, in part, with OMB Uniform Guidance provisions for safeguarding property purchased with federal funds and furnished directly by federal agencies.

### Procedure Summary

Research Foundation insurance may be obtained for owned, loaned, or leased property if allowed by the sponsor and the insurance is 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.

Sponsors 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.

### 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 sponsored program equipment on the floater policy. A provision is made within each record for increasing the value as a result of modifications or enhancements, or decreasing the value due to depreciation. The database is used for claims when property is lost, damaged, 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

Principal Investigators (PIs) may obtain and renew insurance through the Research Foundation by:

- Requesting coverage from the campus sponsored programs office by submitting the information required on the [Equipment Floater form](#) to the Finance Office, via email to [rinsurance@rfsuny.org](mailto:rinsurance@rfsuny.org) or by faxing to (518) 935-6712.
- The Finance Office 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 \$0.95 per \$100.00 with a \$1,000.00 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 Finance 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.

The marine floater coverage is a world-wide, "all risk" 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 PIs to consider that coverage would 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. PIs are encouraged to consider the dates involved and to plan accordingly.

### **Insurance on Decentralized Campuses**

Property insurance process has been decentralized to SUNY Albany, Stony Brook, and Buffalo State College due to high volume at these 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 Finance Office. Renewal notification at these locations is a responsibility of the campus. The Finance Office remains the office of record and all documentation and claims are forwarded there for handling.

### **Research Foundation Responsibilities**

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

The Finance Office is responsible for:

- Processing requests for insurance.
- Processing insurance claims.
- Serving as an insurance informational 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 Finance Office 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 PI.

### **Operations Managers Responsibilities**

The RF operations manager is responsible for ensuring that the campus is complying with the

Property Insurance policy.

### Principal Investigator Responsibilities

PIs 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 Finance Office or their specific Office of Research. PIs may be held accountable for items for which they fail to obtain insurance.

### Definitions

None

### Related Information

None

### Forms

None

### Change History

Date	Summary of Change
September 29, 2016	Update premium rate and deductible and minor format changes.
November 19, 2012	Updated insurance terminology, premium rate and deductible.
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.
March 10, 2003	New document. Replaces PM-A-50 fro Property Management Manual. The Research Foundation Property Insurance Policy 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](mailto:webfeedback@rfsuny.org).