

EQUIPMENT INSURANCE

FLOATER POLICY GUIDE

THE RESEARCH FOUNDATION OF SUNY

OFFICE OF GRANTS MANAGEMENT

STONY BROOK UNIVERSITY

JULY 2008

Campus Procedure for Research Foundation Equipment Insurance

1. Grants Management Specialist approves requisitions for items of equipment or inventoried supplies. These requisitions are identified by an equipment expenditure type beginning with “EQP” and for inventoried supplies with the expenditure type “SUP Below Threshold Equip”. Once approved, the requisition will be forwarded to Procurement with the document entitled “Equipment Insurance Protection” (attachment A) attached for placement of the order and distribution of purchase order copies.
2. The Procurement office will process requisitions, place orders with vendors and produce purchase orders for distribution. When distributing departmental copies of purchase orders with the “EQP” or “SUP Below Threshold Equip” expenditure types, Procurement will attach a copy of the departmental equipment insurance notice (see attachment A).
3. The Property Control department will obtain a copy of the invoice from the Procurement department’s imaging system and confirms receipt from Central Receiving for items of equipment acquired on purchase orders with the expenditure types indicated above.
4. Property Control will forward equipment insurance notice “Have You Considered Insurance Coverage for This New Equipment?” (attachment B) and the standard equipment insurance application/floater form to the campus department receiving the equipment along with data collection form SUSB 703 and decals, upon receipt of the purchase order.
5. Campus departments choosing to purchase equipment insurance will forward a completed purchase requisition with the following attachments:
 - A completed standard equipment insurance [application/floater form](#) for each piece of equipment, and
 - a copy of the purchase order from which equipment was acquired.
6. Cost of insurance will be calculated by the RF Business System based on the equipment value and the time period of coverage. The time period of coverage must be within the award period of the research grant.
7. Upon approval in Grants Management, the equipment insurance requisition with attachments is forwarded to Accounts Payable for payment. Documentation and check are sent to the carrier.
8. Should an insurance claim become necessary, please contact Stephanie Ammann in the Office of Grants Management. Documents required for a claim include:
 - a [Campus Police](#) Report
 - a completed Research Foundation [Equipment Loss Detail form](#),
 - a copy of original requisition/purchase order (equipment purchase),
 - a copy of the equipment insurance requisition, and
 - an explanation from the Project Director

The Equipment Loss Detail form provides guidance on submitting a claim, reduces the possibility of delays and provides the insurance carrier with an organized overview of supporting documents as required by its office. Once the Grants Management Office receives this documentation they will forward to RF Office of General Counsel, who then notifies the RF insurance carrier. This process aids in maintaining the thirty-day settlement cycle.

EQUIPMENT INSURANCE PROTECTION?

Did you know that all-risk equipment insurance is available through The Research Foundation Floater Policy? This insurance is available to protect equipment purchased with sponsored funds, or purchased with other funds, as long as the equipment is used on RF sponsored projects.

Since the University has no other funding source to provide for damage to, or loss of equipment, this is your only vehicle for protecting your equipment. This low cost coverage through AMSURE protects equipment against loss anywhere in the world. The annual premium rate under the equipment policy was reduced, effective July 1, 2008, to **\$.76 per \$100.00** of coverage (for the current budget period), and settlement of claims is based on replacement value of the damaged or lost equipment. Insurance may be renewed during each new budget period.

Most sponsors allow equipment insurance to be charged to grants and contracts as an acceptable way to protect the equipment necessary to conduct the project. We strongly recommend that you consider this option. Simply send your signed RF purchase req (made out to Amsure Insurance), a copy of the original purchase order for the equipment and a completed insurance floater form to Marie Bilbao in Grants Management.

We can provide additional information regarding equipment insurance, as well as claim settlements and policy regulations.

**Office of Grants Management
W5510 Melville Library, Zip 3366
632-9038 - (fax: 632-9147)**

July 2008

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Most sponsors allow equipment insurance to be charged to grants and contracts as an acceptable way to protect the equipment necessary to conduct the project. We strongly recommend that you consider this option. Your Grants Management Specialist can give you additional information regarding this insurance as well as claim settlements and policy regulations.

Attached is the standard Equipment Insurance Application form. If you decide to purchase insurance fill out and sign the form (*the asset/decal number will be on Form SUSB 703 provided by Property Control). Attach the form to a completed RF purchase requisition (made out to Amsure Insurance), provide us with a copy of the PO the equipment was purchased on (to verify \$ value) and forward all to Marie Bilbao in Grants Management for processing. *If you've already purchased insurance, please disregard.*

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July 2008

SPONSORED RESEARCH EQUIPMENT INSURANCE

The Research Foundation's Equipment Floater Policy is an all-risk policy that provides coverage on purchased equipment with sponsored funds, (or purchased with other than sponsored funds but used for sponsored projects) against loss by specified external causes anywhere in the world.

PREMIUM RATE	Effective July 1, 2008, the premium rate under the Equipment Policy is \$.76 per \$100.00 of coverage . Settlement of claims is based on the replacement value of the equipment.
PREMIUMS	Once your completed paperwork is received in the Office of Grants Management, the data is entered into Oracle (RF Business System) which calculates the premiums. It is then forwarded to the Accounts Payable Office for payment. This documentation is mailed to the insurance carrier with the check.
DEDUCTIBLE	The deductible for each claim is \$250.00 and has remained so since July 1, 1998. Payment of the deductible is the responsibility of the campus department and will be paid out of appropriate account funds as designated by the project director.
DEPRECIATION	<p>For most equipment, value decreases with age. Appropriately decreasing the value of the equipment with time lowers premiums and makes for maximum fiscal economy. Depreciation is accomplished at the discretion of the Project Director.</p> <p>As a policy, the Research Foundation encourages Project Directors to consider that coverage should secure the cost of replacement of equipment during the project term and not under or over value the equipment. Therefore, it is the responsibility of the PI to obtain a current quote from the manufacturer for the same (or closely similar) replacement item.</p>
STATE OWNED EQUIPMENT	Equipment should be insured when on loan from the State and used for Research Foundation sponsored projects. Project Directors may be held accountable for equipment that is not insured.
EQUIPMENT ON LOAN	It is advisable to insure loaned equipment from outside institutions used for sponsored research.
PROCEDURE	Complete and sign both an RF purchase requisition (made out to Amsure Insurance) for the purchase of insurance, and an insurance application/floater form (use one for each item to be insured). Provide a copy of the purchase order the equipment was originally purchased on, and send all forms to the Office of Grants Management, Zip 3366. You'll receive a confirming email indicating the exact premium being charged to your account.

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 General Counsel in The Research Foundation Central Office with the insurance carrier. This coverage is designed for facilities that maintain expensive research equipment.

GUIDELINES FOR COVERAGE

LONG TERM
COVERAGE

In accordance with the insurance policy, renewed insurance is carried for an annual or semi-annual term. Equipment is not insured beyond the term of the grant unless requested by the sponsor.

After project termination, if the property is retained, further insurance is available.

SHORT TERM
COVERAGE

Short term insurance, such as one, two or three months, is acceptable when:

- the grant terms within a short period of time subsequent to the acquisition of new equipment
- equipment is leased or loaned
- equipment is used for sponsored projects beyond the bounds of the campus location

(Please check with the Office of Grants Management when in doubt about short term insurance.)

SHIPPING OR
TRANSPORTING
EQUIPMENT

Project Directors are encouraged to notify the Office of Grants Management when shipping or transporting insured equipment. Grants Management will then advise the Foundation's carrier on method of packing, shipping, destination and delivery dates to ensure proper coverage.

TRANSFERRING
EQUIPMENT TO
ANOTHER
INSTITUTION

Project Directors who are planning to transfer equipment from an RF research facility to another institution (whether it's insured or not) should first obtain an inventory listing all grant(s) involved from Property Control (Anna Artale-Bruno at 2-6306). For *complete instructions* on the process of [Property Status Change](#), click this link. Once at its destination, the PD should discontinue insurance coverage of the equipment on the RF's floater policy as it is no longer being used on behalf of the RF. Once Grants Management is notified by the PD, the award would be reimbursed for the balance of the premium payment (if applicable). Equipment should not continue to be insured. Click this link for a copy of the [Property Status Change Request form](#).

TERMINATION
OF COVERAGE

Insurance is automatically terminated if not renewed. When equipment is disposed of, the insurance should be terminated. No provision for prorating insurance is available when termination occurs within a yearly cycle. Project directors are encouraged to consider the dates involved and to plan accordingly.

COVERAGE

Equipment is covered if the loss is caused directly by fire, lightning, explosion, windstorm, vandalism, aircraft, rioters, strikers, theft or attempted theft, or by accident to a vehicle carrying the property. Equipment is also covered for accidental damage (a damage estimate must be submitted with other related documents as requested in these guidelines). Please contact the Office of Grants Management when there is a question of coverage that may not be described here. There are also limits to coverage under some circumstances.

EXCLUSIONS TO COVERAGE

The Equipment Policy does not provide coverage on the following:
(not all exclusions are listed below)

Excerpt from Policy

- Delay, loss of use or loss of market
- Shortage found when taking inventory
- Governmental action
- Nuclear hazard
- War and military action
- Loss caused by pollutants
- Hidden or latent defects or any quality in the property that causes it to damage or destroy itself
- Wear and tear, gradual deterioration
- Programming errors (software related)

For additional exclusions please contact the Office of Grants Management.

LOSSES AND CLAIMS

REPORTING and DOCUMENTING LOSS

Claims are not decentralized and remain under the management of the Office of General Counsel and Secretary in the Research Foundation Central Office in Albany.

Equipment that is stolen, damaged by vandalism, or any accident that occurs as a result of an external cause must be reported to the Security Office ([Campus Police](#)) and to Stephanie Ammann, Manager of Sponsored Project Expenditures in the Office of Grants Management (2-9071), for her guidance. An investigator sent from Campus Police will, with help from the project director and the Property Control Office, file a report. The report is retained by the Property Control office and a copy sent to the Office of Grants Management and the Office of General Counsel and Secretary.

If the equipment was sponsor owned and if their guidelines so request, a report must be sent in a timely manner (within 30 days) to the sponsor informing it of the loss or damage and its cause.

In addition, all losses of *RF insured equipment* must be documented on the [Equipment Loss Detail form](#), that is linked here (see *Submitting Claims* below).

The Project Director is responsible for ensuring that:

- lost, stolen, or damaged equipment is reported to the Security Office (Campus Police), the Office of Grants Management and the Property Control Office,

- the Property Control System is updated to reflect lost, stolen, or damaged equipment,
- Property Control System records are returned to active status if equipment is recovered,
- Project Directors and their staff are aware of their role in communicating occurrences of loss, theft, or damage to the Security Office, the Office of Grants Management and Property Control Office, and assisting in identifying equipment asset numbers.

ASSOCIATED COSTS

Any cost associated with the repair or removal of damaged equipment is the responsibility of the Project Director/department.

SUBMITTING CLAIMS

The [Equipment Loss Detail form](#) provides guidance on submitting a claim, reduces the possibility of delays and provides the insurance carrier with an organized overview of supporting documents as required by its office. Once the Grants Management Office receives this documentation they will forward to RF Office of General Counsel, who then notifies the RF insurance carrier. This process aids in maintaining the thirty-day settlement cycle.

SETTLEMENTS POLICY REGULATIONS

Settlement amounts, minus the deductible, are based upon the current market replacement value of the equipment. Each item of covered equipment must be insured for at least 80% of the actual cash value of the item at the time of loss.

A thirty-day settlement cycle has been established which commences the day the Foundation's insurance carrier receives all required documentation.

Contact the Office of Grants Management at 632-9038 if you need further assistance.