

<b>System-wide Policy: FI0135 - Insurance</b>	
<b>Version: 6</b>	<b>Effective Date: 10/01/2017</b>

## FI0135 – Insurance

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### Objective:

To provide information related to the university’s insurance coverages, restrictions on procuring insurance, and guidance on filing a claim. This policy does not apply to group employee insurance such as health, dental and vision.

### Policy:

#### Liability Coverage

1. Effective July 1, 1985, the university became subject to the provisions of the Tennessee Claims Commission Act, T.C.A. 9-8-301 et seq. The Claims Commission adjudicates claims against the university involving:
  - a. Workers' Compensation
  - b. General Liability
  - c. Professional Malpractice
  - d. Automobile Liability
  - e. Other areas described in T.C.A. 9-8-301
2. The university, for its acts or the acts of its employees or persons serving the university in a "volunteer" capacity, is protected under the Tennessee Claims Commission Act. This protection provides civil immunity for employees and registered volunteers of the state and for university employees who act within the

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scope of their university-assigned duties except for willful, malicious, or criminal acts or omissions done for personal gain.

3. Authorized drivers of university-owned and non-owned vehicles are also protected under the Tennessee Claims Commission Act.
4. Under the Claims Commission Act, payments for damages are limited to \$300,000 per claimant and \$1,000,000 per occurrence.

### Property Coverage

5. The State of Tennessee's Division of Risk Management administers the State's property insurance program which covers all scheduled State and university-owned buildings and contents. Non-owned property for which the university has contractually assumed responsibility for is also covered. The university also affords coverage for the following policies administered by the State:
  - a. **Fine Arts** - which covers art objects owned or loaned to the university.
  - b. **Aircraft** – which covers hull and liability coverage for aircraft owned by the university.
  - c. **Boilers** – which provides coverage for all university boiler objects.
6. The items listed below are not covered under the State's program. This is not a comprehensive list and the list changes. Contact the [System Office of Risk Management](#) for any questions related to the university's property policies.
  - a. Property of students, faculty, and others.
  - b. Trees, plants, shrubs, precious stones and outside lighting equipment.
  - c. Vehicles and watercraft.
  - d. Money and jewelry.
  - e. Mold, asbestos, and sewage backup (depending on the cause).
7. The State of Tennessee maintains property insurance, which is subject to a \$25,000 deductible for each occurrence. The university has established an internal insurance replacement fund for repair or replacement expenses that fall under the \$25,000 deductible, subject to the limitations detailed below.

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- a. Each department is responsible for repair or replacement expenses of losses (other than theft) up to \$5,000 per occurrence. In the case of theft coverage, the budget entity's responsibility is \$10,000 per occurrence.
- b. For losses in excess of the limits set in (a.) above, the balance of the \$25,000 deductible amount will be paid from the university insurance replacement fund.

### Additional Coverage

8. The university is prohibited from procuring any liability insurance without the prior approval from the State of Tennessee Board of Claims. To ensure compliance, no department may procure commercial insurance without authorization from the System Risk Management Office.
9. The university may, however, procure various non-liability insurance policies intended to reduce risk. These policies must also be approved by the System Office of Risk Management. Examples of these policies include:
  - a. Student health insurance
  - b. Comprehensive policies for vehicles and other assets not covered by the State's property insurance
  - c. Loss of revenue policies for large athletic events
  - d. International freight coverage to protect items shipped or received internationally.

### Reporting Accidents and Filing a Claim for Damages

10. The reporting and claims requirements for each type of loss is described below. Any questions about reporting accidents, or filing claims may be directed to the campus/institute business office or the System Risk Management Office.
  - a. **Workers Compensation** – Any incident, injury or illness that occurs while a university employee is on duty must be reported in accordance with [HR0397 - Worker's Compensation](#), which requires an incident to be reported with the administrator of the university's workers compensation program. In addition, the university's [incident report](#) must also be completed. This

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form allows the System Risk Management Office to identify any potential health and safety issues, trending and oversight of program

- b. **Personal Liability claims** – Anyone who believes that they have incurred personal property damages or personal injury due to the negligence of a university employee must file a claim with the [Tennessee Division of Claims Administration](#) in accordance with their policies. In addition, the university requests that an [incident report](#) or the [driver's report of vehicle accident](#) also be completed depending on the type of incident. These reports allow the System Risk Management Office to identify any potential health, safety, and security issues.
- c. **University Property claims** – The university's [incident report](#) should be completed and forwarded to the System Risk Management Office as soon as possible. Photographs and all documentation supporting the estimated losses should be included. The University's Risk Management Office will report any loss exceeding the \$25,000 deductible to the State Division of Claims. Departments must utilize the State's emergency services vendors for all clean-up and efforts to protect the property from further damage.

### System Risk Management Office

11. The System Risk Management Office is responsible for the following:

- a. System-wide oversight of the university's workers compensation program for the university with includes:
  - i. Communicating requirements with applicable campus human resources offices, business offices and other university officials and employees.
  - ii. Tracking claims and incidents to ensure that information has been reported in an accurate and timely manner to the administrator of the program.
- b. Processing all university property-related claims, auto claims, and other incidents.

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- c. Serving as the primary point of contact for the State Risk Management Office for tort liability claims, state-owned property claims and state-purchased insurance policies.
- d. Compiling all incident-related information required for occupational safety compliance.
- e. Approving all university insurance procurements, excluding employee group health related policies.
- f. Review of all of the University's insurance policies to identify assets that are protected.
- g. Identifying areas for risk reduction or safety concerns and reporting these to applicable university officials. Coordinate risk reduction efforts with safety and emergency management officials.
- h. Updating the property values and other actuarial information needed to procure and/or distribute insurance premiums.
- i. Procurement and management of non-liability insurance policies for the university.
- j. Serving as a primary point of contact for FEMA/TEMA on declared state or federal disaster claims.
- k. Risk Management training.
- l. Upon request, the office will review university contracts to ensure that insurance protection is properly addressed.
- m. Upon request, the office will review insurance policies to ensure that the policies comply with contracts and provide adequate protection.

**PROCEDURES:**

Chattanooga:	<a href="http://www.utc.edu/business-financial-affairs/fiscalpolicies.php">http://www.utc.edu/business-financial-affairs/fiscalpolicies.php</a>
Knoxville:	<a href="http://budget.utk.edu/fiscal-policy/">budget.utk.edu/fiscal-policy/</a>
Health Science Center:	<a href="https://uthsc.policymedical.net/policymed/home/index?ID=de47aa28-16aa-408b-9c96-cb04f232964f&amp;">https://uthsc.policymedical.net/policymed/home/index?ID=de47aa28-16aa-408b-9c96-cb04f232964f&amp;</a>
Institute of Agriculture:	<a href="http://ag.tennessee.edu/Pages/UTIApolicies.aspx">ag.tennessee.edu/Pages/UTIApolicies.aspx</a>

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Martin:	<a href="http://utm.edu/departments/finadmin/procedures.php">utm.edu/departments/finadmin/procedures.php</a>
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**FORMS:**

- [Incident Report](#)

**FOR MORE INFORMATION:**

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