

## **INSURANCE COVERAGE**

The University renegotiates its insurance coverage for each fiscal year. As to particular risks, there is no guarantee the same or any coverage will be available year to year.

The University employs risk managers who assess risks against the cost of coverage. In many instances, additional coverage may be available but the University has made a business judgment that the cost of that coverage is not commensurate with risk. The coverage described in the following paragraphs is accurate only with respect to coverage currently in effect.

Property coverage for fiscal year 2016 is based upon a replacement value of its buildings and their contents, excluding land and building foundations. There are two policies: the first has a limit of \$5.0 million for windstorm, \$25.0 million for flood and \$300.0 million for all other perils such as fire and theft. The second policy has a limit of \$25.0 million for windstorm, \$25.0 million for flood and \$300.0 million for all other perils. Both policy deductibles are: five-percent (5%) of the total value per building and contents at the time of loss, for storms named by the National Oceanic and Atmospheric Administration (NOAA), subject to a minimum deductible of \$500,000 for any one occurrence. There is a deductible of \$500,000 for flood and all other perils on both policies. The main campus property policy includes coverage for loss of tuition with a \$57.0 million sub limit. In addition, the University carries Fine Arts coverage with limits of \$70.0 million.

Additional Flood Insurance is provided under separate coverage for the marine campus through the National Flood Insurance Program (NFIP) with maximum limits of \$500,000 per building and \$500,000 contents. The deductibles per policy are either \$500 or \$1,000, depending on the values, and apply separately to each building and to its contents. Valuation is on an actual cash value basis.

The University also carries boiler and machinery insurance, automobile liability, general liability, workers' compensation and other various liability insurance policies, including excess liability policies with a total limit of \$100 million.

The University is self-insured for medical liability, but maintains commercial excess coverage within specified limits. Provisions for medical liability claims are based on several factors, including an annual actuarial study and are recorded as a liability on the University's Statement of Financial Position.