



Quick Tips Property “Theft Buy-down” Insurance

REFERENCE

University of California Property Self-Insurance Program ([Business & Finance Bulletin BUS-28B](#))

COVERAGE

All property owned or, by written agreement, under the care, custody, or control of the UC Regents is automatically insured under the BUS-28A Property Insurance Program (see [Quick Tips: Property Insurance](#)). When departments pay a premium to insure property under the BUS-28B Property “Theft Buy-down” Insurance Program, the deductible for property loss due to forced or non-forced entry theft is reduced, i.e. departments can “buy-down” the theft deductible by paying a premium.

PROPERTY COVERED

UC-owned property enrolled in the “Theft Buy-down” Program on the [Buy-Down Property Schedule Adjustment Form](#). The Program is designed to insure property that, because of its value and the ease with which it can be stolen, is vulnerable to theft. New computers, notebook computers, software, cameras, some kinds of scientific equipment, video equipment, etc., are the sorts of property that should be insured under the “Buy-Down” Program .

PERILS COVERED

Theft only.

EXCLUSIONS

This Program applies to theft only; all other perils are excluded. See following page for Property Not Covered.

SECURING COVERAGE

Every year departments have the opportunity to enroll equipment in the “Theft Buy-Down” Program. Complete the [Buy-Down Property Schedule Adjustment Form](#) to enroll equipment in the Program and submit it to campus Risk Management. Risk Management will enter the equipment into the department’s schedule of insured equipment.

If a department has previously enrolled in the “Theft Buy-Down” Program, equipment newly acquired by the department may be insured under the Program by submitting a completed [Buy-Down Property Schedule Adjustment Form](#) at the time of purchase. Equipment that a department has owned for a period of time may only be insured under the “Buy-down” Program at the start of the fiscal year. Risk Management will send out a letter to the campus advising when it is time to update the department “Buy-Down” schedule.

PREMIUMS

Insurance is billed annually. The cost of BUS-28B insurance is \$.40 per \$100 of value per year. The premium is not prorated for periods of time less than a year. (See Filing Claims below for information on how to value equipment) .

DEDUCTIBLES

- 1) \$250 per occurrence for forced-entry theft (instead of \$1,000 under basic property insurance).
- 2) \$1,000 deductible for non-forced entry theft (instead of \$5,000 under basic property insurance).

CLAIMS ADMINISTRATION

Campus Risk Management investigates and processes all claims in conjunction with the OP Risk Management.

FILING CLAIMS & FILING DEADLINES

- 1) Use the [UC Property Loss Report](#) and the [UC Property Loss Summary of Costs](#) to report a property loss.
- 2) Cooperate with campus Risk Management to coordinate claim processing
- 3) Funding of losses is based on the *replacement value* of equipment unless the *declared value* is less. The *replacement value* is the cost to repair or replace with property or materials of like kind or quality. In the event the equipment is not replaced, the *actual cash value* will be paid. *Actual cash value* is the purchase price less depreciation. As a rule of thumb, the *actual cash value* of a piece of equipment may be determined by depreciating the purchase price of the equipment (including any modifications or improvements) by 20% after the first year, and 10% per year thereafter.
- 4) Departments must give notice to campus Risk Management within twenty-four (24) hours of the loss . They must submit a report of property loss or damage within three (3) working days. If the loss or damage is eligible for funding, campus Risk Management must forward the report and all required documentation to OP Risk Management within sixty (60) days. In no event will a loss be funded if reported later than twelve (12) months from date of occurrence.

FUNDING CLAIMS

Campus Risk Management will request funding for repair or replacement from OP Risk Management after claim filing requirements have been met. OP Risk Management reimburses the appropriate campus account from the University’s Property Self-Insurance Program.

FORMS

[Buy-Down Property Schedule Adjustment Form](#)
[UC Property Loss Report](#)
[UC Property Loss Summary of Costs](#)



Quick Tips Property “Theft Buy-down” Insurance (cont’d)

PROPERTY NOT COVERED

1. Property specifically insured under a commercial insurance policy, except the applicable deductible contained in policies covering boilers and pressure vessels.
2. Property belonging to an individual (e.g., employee, faculty, or student).
3. Automobiles, trucks, vans, buses, motorcycles, motor scooters, water craft, aircraft, spacecraft, satellites, or any other conveyance, including permanently attached contents (except when in storage inside a UC facility).
4. Property federally financed for which the University does not possess title and has no care, custody, or control assumed under written agreement.
5. Property of faculty clubs
6. Products of University research.
7. Sewers, curbs, walkways, underground pipe (except electrical conduit), trees, shrubs, plants, lawns, growing crops, land, water, standing timber, buildings in the course of construction prior to beneficial occupancy, excavations, grading, tilling activities, underground foundations, pilings in water, concrete, masonry bridges, dams, culverts, and earthen bulkheads when no part of a building.
8. In case of water damage, the source causing the damage, such as broken water main or pipes.
9. In case of water damage, the interior of a building if damaged is caused by rain or snow whether or not driven by windstorm or hail unless the force of the windstorm or hail results in actual visual damage to the roof or walls.
10. Loss or damage of data for any reason, including from error in programming or instructing the machine, error in design, data erasure caused by or resulting from magnetic injury or electrical disturbances, system intrusion, or loss of data from use of unauthorized software.
11. Accounts, bills, currency, deeds, evidence of debt, money, notes, securities, or similar valuables, except as they may be converted to data processing media form, and then only in that form; or any data processing media which cannot be replaced commercially with other of like, kind, and quality.
12. Electronic data processing property rented or leased to others.
13. Fine arts in transit and goods in transit valued over \$100,000 per shipment, household moves, and foreign shipments. (See [Quick Tips: Fine Arts Insurance](#) and [Quick Tips: Transit Risk Insurance](#)).