



FIN-006 Insurance Coverage

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Policy Type [University](#)

Contact Office

[Property & Liability Risk Management \(Office of\)](#)

Oversight Executive

[Vice President and Chief Financial Officer](#) [Executive Vice President and Chief Operating Officer](#)

Applies To

Academic Division The Medical Center The College at Wise

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Reason for Policy

The University of Virginia, for its own protection and for the protection of its employees and agents as well as the general public, maintains an umbrella of insurance and self-insurance protection as part of its risk management programs. This policy describes the general types of coverage provided and the responsibilities of University employees.

Definition of Terms

Terms

There are no terms that require definition.

Policy Statement

The [Office of Property & Liability Risk Management \(OPLRM\)](#) will administer the property and liability risk management programs for the University. This includes the procurement of insurance protection, managing internal self-insurance programs, participation in the state self-insurance plans, providing risk management advice, and administering claims associated with the University's operations. The insurance and self-insurance coverage includes general liability, directors and officers, errors and omissions, professional liability, property damage, crime, employee bond, equipment breakdown, watercraft, aircraft, automobile liability and physical damage, cyber risk, and other specialized insurance as may be necessary.

As a state agency, the University is permitted to participate in risk management programs that are part of the State's Risk Management Plan. The University's OPLRM will procure insurance or develop self-insurance programs that are not provided by the State Plans.

Employees are encouraged to call the OPLRM to discuss any perceived property and liability risks that they may encounter throughout the University. The Risk Management program deals not only with insurance protection and claim matters, but also with coordinating attempts to prevent or reduce future losses. Additionally, the risk management staff reviews University contracts and agreements for insurance issues and other risk management concerns, and provides risk management advice to the University community that includes the UVA Medical Center and UVA's College at Wise.

Whenever any type of loss occurs, except those involving University owned or rented vehicles or injuries to employees while on the job, an [Incident Report Form](#) must be completed and faxed to OPLRM (434) 982-2635, or hand-delivered to 1001 Emmet Street North, Charlottesville, VA 22904, or emailed to ORM-FRM@virginia.edu within 24 hours. For incidents involving University owned or rented vehicles, an [Automobile Loss Notice Form](#) must be completed and sent to the OPLRM within 24 hours. To report injuries to employees while on the job (Workers Compensation), contact the Human Resources Benefits Office. For vehicle incidents that involve employee injuries, report them to both the OPLRM and Human Resources. [See the OPLRM [website](#) for details on claim reporting.] For incidents involving Medical Center patients, contact the Medical Center's Risk Management Office.

A brief outline of the University's risk management programs is provided below, but because of the complexity of the various insurance and self-insurance plans it does not detail all of the exclusions and exceptions. To make inquiries concerning these programs, to report any incidents relating to bodily injury or property damage, or to report any other incidents or conditions that appear hazardous or that might result in financial loss to the University, contact the OPLRM.

1. Property Coverage:

A. Overview:

The State Division of Risk Management (DRM) has developed a Property Insurance Plan, which is comprised of self-insurance and commercial insurance. The Plan covers all University-owned buildings; University contents and equipment on or off grounds; loss of business-related income; and, in certain cases, extra expense incurred to expedite repairs and continue necessary University operations. Since the Property Insurance Plan also includes coverage for Equipment Breakdown losses, it represents a combined program of coverage that will reimburse State agencies for repair or replacement of lost or damaged property from such perils as fire, lightning, windstorm, theft, flooding, sudden and accidental breakdown of machinery, and other covered perils. [See [Section 1.E, Equipment Breakdown](#) for more information.]

All University-owned buildings and contents are covered for repair or replacement, whichever is less, but all losses are subject to a departmental \$1000 deductible. The department responsible for the property incurs the deductible. When multiple departments are involved in a single loss, the deductible is shared by all departments involved, and must be paid from departmental funds. State and University procurement guidelines must be followed after the department files a claim to have property repaired or replaced. When a single loss exceeds the departmental deductible of \$1000, the University will reimburse the next \$99,000 for that loss. If a loss exceeds \$100,000, the DRM insurance program begins to reimburse for the loss above the \$100,000 threshold. In specific pre-approved situations, non-owned property in the University's care, custody, and control can be covered by the University's property insurance for the borrowed or leased property's actual cash value at the time of loss or the cost to repair, whichever is less.

B. Personal Property:

Personal property belonging to employees or students that is located on Grounds is not covered by the University's property insurance coverage. However, if their property is damaged due to some negligent act or omission on the part of the University, there is possible coverage. It is strongly recommended that individuals having personal property at the University contact their insurance agent for appropriate insurance coverage, such as homeowners or renters insurance, to protect their personal possessions.

C. Domestic or International Shipments:

The State's Property Insurance Plan also insures University property, and in some cases the property of others, while located away from the University or in transit anywhere in the world with the exception of certain high-risk countries. Prior to the University's equipment or other property being taken away from the University, the following must be done:

- Make a list of all applicable equipment;
- Note each item's replacement value;
- Note the locations the University property will be transported to;
- Note the time period it will be away from the University;
- Indicate how equipment will be safeguarded; and
- Obtain documented approval from the appropriate dean or department head and send this information to the University's OPLRM.

You may be contacted to discuss shipping and insurance issues for high value or sensitive equipment. Check with the [Office of Export Controls](#) for any restrictions that may apply.

D. Fine Art, Antiques, and Other Special Collections:

The OPLRM strongly recommends that departments with objects of fine art, antiques, or other special collections maintain a full description of each object, its value with a valid appraisal when possible and the location of the item. Fine arts and other valuable collections are covered at their appraised or stated value. Since a loss is more difficult to adjust without appraisals, and attempting to obtain an appraisal after an article is damaged or stolen is difficult, it is strongly recommended that evidence of the replacement value of such items be obtained in advance and stored in a fireproof cabinet or at an off-site location.

E. Equipment Breakdown:

This is specialized coverage for the replacement or repair of such items as boilers; fired and unfired pressure vessels; refrigerating or air conditioning systems along with any piping and its accessory equipment; and any mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power. There is coverage whenever there is a sudden and accidental breakdown of the items listed above or any parts of those items. At the time the breakdown occurs, it must manifest itself by physical damage to the object that necessitates repair or replacement.

F. Reporting Losses:

The OPLRM must be notified within 24 hours of damage or loss. Departments are responsible for paying the deductible, which is the first \$1,000 per claim. The University is responsible for the next \$99,000 of loss. The State's program of insurance begins to pay when a loss exceeds \$100,000.

A completed insurance Incident Report Form must be sent to the OPLRM within 24 hours of discovering any loss or damage to University property when it is anticipated the loss will exceed \$1,000, or if the loss is caused by a third party. Additionally, all thefts must be reported to the University Police Department immediately.

Prompt reporting and full documentation will expedite recovery for losses incurred. Late reporting or delays in repair or replacement documentation can delay or forfeit reimbursement. Notice of loss must be made to the OPLRM immediately upon discovery. [See the OPLRM [website](#) for details on [claim reporting](#).]

2. Liability Coverage:

A. Overview:

The University is protected by the State Risk Management Plan, which is a self-insured liability program administered by the state Division of Risk Management. The state plan provides tort insurance coverage for the State, its agencies, and its employees and agents. The Plan will pay all sums, except as limited by the Plan or by the Code of Virginia, that covered parties shall be obligated to pay by reason of liability imposed by law for damages resulting from any claim arising out of acts or omissions of any nature while acting in an authorized governmental or proprietary capacity and in the course and scope of employment or authorization. In accordance with the Virginia Tort Claims Act, the amount recoverable by any claimant with respect to the

Commonwealth of Virginia, its departments, agencies, or any director, officer, employee or agent thereof, shall not exceed one hundred thousand dollars (\$100,000) per claim. This limit shall not be applicable to any claim or causes of action other than those established by Virginia law. For claims or causes of action other than those established by Virginia law, the amount recoverable shall not exceed two million dollars (\$2,000,000) per claim. Likewise, the amount recoverable by any claimant with respect to officers, employees and agents of the Commonwealth of Virginia shall not exceed two million dollars (\$2,000,000) per claim. Individuals protected by the state plan includes students while participating within the authorized scope of a clinical, internship, externship, or other educational program in order to meet pedagogical requirements.

B. General Liability:

All University operations conducted on University property, in owned and leased buildings, or at sites located away from the University are covered for authorized University business. This coverage provides protection for acts of negligence for which the University and/or its employees and agents may be held legally liable. It should be noted, however, that there may be no coverage if it is determined that liability was incurred by reason of (a) acts of fraud or dishonesty by the Covered Party, (b) acts of intentional, malicious or willful and wanton misconduct by the Covered Party, or (c) criminal acts. Defense for claims, suits, actions or other proceedings covered by this plan is provided under 2.2-507 et al of the Code. Additionally, claims, demands or other actions seeking relief or redress in any form other than monetary damages, including, but not limited to injunctive relief are not covered. Liability assumed under any written contract or agreement is also not covered. Report any incidents, accidents or unusual occurrences to the OPLRM immediately.

C. Foreign Liability:

Comprehensive general liability coverage is provided to faculty, staff and students performing activities on behalf of the University in foreign countries. It covers third party general liability claims for bodily injury and/or property damage, professional liability and automobile liability. [See [Section 3.A, Auto Liability Coverage.](#)] Questions or reports of incidents should be directed to the OPLRM.

D. Directors & Officers Liability:

The Board of Visitors and University officials, employees and agents are also protected against negligent acts or omissions which result in financial loss or damages to individuals or organizations that do not directly relate to bodily injury or property damage. Such acts or omissions usually result from decisions that are made by University representatives in their authorized capacity to do so which bring about allegations of damages and financial loss incurred by a third party.

E. Errors and Omissions Liability:

Professional exposures may result from a negligent error or omission when rendering or failing to render professional services on behalf of the University. Faculty and staff are protected for these exposures. When a financial loss occurs due to an employee's failure to perform up to expectations or industry standards, the error or omission can result in legal liability.

3. Automobile Liability & Physical Damage Coverage:

A. Liability Coverage:

State-owned vehicles are insured for liability coverage up to \$2,000,000 per claim for authorized use. This means people who use University vehicles in the scope of their employment or authorization to conduct University business are protected up to two million dollars for negligence resulting in bodily injury and property damage to third parties. The vehicle operator must comply with state travel regulations, and when accidents occur notify the State Police or other authorized law enforcement organization and the OPLRM. The driver must cooperate fully in the investigation, defense or settlement of any claim or suit. Failure to provide such notice or to comply with state travel regulations will constitute a material breach of the Plan and could result in denial of coverage. Also, individuals will not be covered for acts of intentional, malicious, willful and wanton misconduct, or criminal acts in the use of a vehicle. The Plan will defend any claim, suit, action or other proceeding relative to any loss or other occurrence that may be covered under this plan. [Executive Order 89 \(2005\)](#) requires that State-owned vehicles be used strictly for official business, so University vehicles must be used only for authorized University activities. It also states: "Use of State-owned vehicles for commuting shall be authorized only when it is the most cost-effective or practical alternative, or as an employee's job duties affecting public health, safety and emergency response may require."

Note: Contact OPLRM to arrange for insurance coverage on newly acquired vehicles before taking ownership of the vehicle. Report any incident or accident involving State owned or leased/rental vehicles used on University business to the State Police immediately (call University Police if accident occurs on Grounds) and the OPLRM. An Auto Loss Notice must be submitted to the OPLRM within 24 hours of an accident. [See the OPLRM [website](#) for details on claim reporting.] Occupants' personal possessions are not covered by this insurance if lost or damaged in State vehicles.

B. Physical Damage Coverage:

With regard to physical damage coverage, the University maintains a combination insurance/self-insurance program to pay for damages to University owned vehicles. Departments have the option of insuring their vehicles in this program if the actual cash value of the vehicle is less than \$5,000. However, all vehicles valued at \$5,000 and above must be insured through the University's self-insurance program to pay for damages to these vehicles. The department having responsibility for the vehicle must pay the first \$1,000 of loss for each claim. A description of accident procedures should be located in each State vehicle and are also on the OPLRM [website](#) under [Vehicle Usage, Driver Responsibilities](#). Contact OPLRM to arrange for insurance coverage on newly acquired vehicles before taking ownership of the vehicle.

C. Personal Vehicles:

When an employee of the University is driving his or her personal vehicle on University business, the State's automobile insurance plan applies only after the limits of liability on the employee's personal auto policy have been exhausted. The State policy, however, does not apply toward physical damage to personal vehicles. Individuals should have physical damage coverage, such as comprehensive and collision, on their personal vehicles if they want insurance protection for damages they may incur.

D. Rental Vehicles:

When an employee of the University is driving a rental vehicle on University business, the University's automobile insurance coverage applies as primary coverage, unless the rental agency's liability coverage is applicable. For physical damage, a rental vehicle is covered through a combination of self-insurance and a contracted vendor's Collision Damage Waiver. The department having responsibility for the vehicle must pay the first \$1,000 of loss for each claim under the University's self-insurance program. Use of a credit card providing coverage for damage to a rental vehicle, such as the University Travel and Expense Card, when used to book and pay for a vehicle rental is a potential source of coverage for rental vehicle damage including the \$1,000 departmental deductible. However, use of a credit card to pay for damage to a rental vehicle will jeopardize coverage through the University's program.

When leasing vehicles in another country, except for Canada, it is advisable to purchase liability and physical damage insurance at the time the vehicle is rented. Purchasing insurance in the foreign country where the vehicle is to be used makes the handling of automobile claims much easier. (This vehicle insurance cost will be reimbursable when leasing vehicles in foreign countries.)

If an accident occurs in a rental car, immediately call the police, the rental agency and OPLRM. An Auto Loss Notice must be provided to the OPLRM one of the following ways: faxed to (434) 982-2635, hand-delivered to 1001 Emmett Street North, Charlottesville, VA 22904, or emailed to ORM-FRM@virginia.edu. Contact OPLRM with coverage concerns when renting vehicles or driving state vehicles in a foreign country.

4. Professional Liability:

Health care professionals, residents, house staff and health care professional students are provided medical malpractice coverage for those acts or omissions arising out of the course of their employment or authorization on behalf of the University. Coverage is provided up to the malpractice cap in Virginia. Per the Virginia Code (Section 8.01-581.15), the medical malpractice cap on July 1, 2014 increased to \$2,150,000. The malpractice cap will increase annually on July 1, by \$50,000 in accordance with this statute. Coverage is not provided for non-University activities, nor is coverage provided to medical faculty who are eligible to bill for services through the University Physicians Group.

Report all medical incidents or potential malpractice claims arising out of Medical Center Operations immediately to Medical Center Risk Management. [Contact Medical Center Risk Management at 434-924-5595 for further information for reporting such incidents).

5. Aircraft Coverage:

The University maintains aviation liability insurance on its owned aircraft to cover bodily injury and property damage for up to \$25,000,000 per occurrence, including passengers (excluding employees covered by workers' compensation), arising out of the ownership, maintenance, or use of its aircraft. Owned aircraft are also insured for physical damage to the aircraft. Contact OPLRM to arrange for insurance coverage on newly acquired aircraft before taking ownership.

6. Workers' Compensation:

Workers' compensation coverage provides employees with statutory protection in accordance with the Virginia Workers Compensation Act for employees' injuries arising out of the course of their

employment. The Department of Human Resources administers the program and questions should be directed to that department's Benefits Office. Questions regarding workers' compensation for employees in the Medical Center should be directed to Medical Center Employee Relations.

7. Blanket Fidelity/Crime Bond:

The Blanket Fidelity/Crime Bond is a State insurance program that covers acts of employee dishonesty. Employee dishonesty is considered to be a criminal act committed by an employee acting alone or in collusion with others. There must be a manifest intent by the employee (a) to cause the Commonwealth to sustain a loss and (b) to obtain a financial benefit for the employee or someone the employee seeks to benefit. Coverage protects against loss of money, securities, as well as property other than money and securities. Coverage for dishonest acts applies to all officials and employees of the University. Notify the University Police, the University Internal Audit Department, and the OPLRM within 24 hours of discovering a loss.

8. Comprehensive Crime Policy:

The State crime program covers the University's loss of money, securities, or checks by actual destruction, disappearance, forgery, or wrongful abstraction (robbery or theft), either on premises or in transit. There is a \$1,000 deductible per claim, which is the responsibility of the department incurring the loss. Notify the University Police, the University Internal Audit Department, and the OPLRM within 24 hours of discovering a loss.

9. Cyber Risk Coverage:

The State maintains Information Security & Privacy Insurance with Breach Response Services to protect the University against cyber risk exposures. The coverage provides for regulatory defense and penalties and for legal liability claims. Additionally, it provides breach response services (notifications and credit monitoring) for affected individuals. Report all cyber risk incidents to the Office of Information Security and to the OPLRM.

10. Compliance with Policy:

Failure to comply with the requirements of this policy may result in disciplinary action up to and including termination or expulsion in accordance with relevant University policies.

Questions about this policy should be directed to the [Office of Property & Liability Risk Management](#).

Procedures

[Automobile Loss Notice](#)

[Incident Report Form](#)

[Major Incident/Accident](#)

[Property Claim Packet Workbook](#)

[Property Loss/Theft Claim](#)

[Other Incidents/Claims](#)

Related Information

[FIN-044: Use of the University Travel and Expense Card](#)

[Office of Fleet Management Services, OFMS Policies and Procedures](#), see Section 1: General

Major Category [Finance and Business Operations](#)

Next Scheduled Review Sunday, February 22, 2026

Revision History

Confirmed 2/22/23; added Compliance Section 12/16/21; Minor edits & Updated Section 3.D 3/5/20; Edited Procedures, 4/3/18; Updated 10/1/14, 7/1/14, 10/8/12, 4/8/11, 5/3/07, 8/25/06, 9/2/05, 5/15/05.

Applies To Text

Academic Division, the Medical Center, and the College at Wise.

Supersedes Policy Text

VII.H.1, Risk Management Program

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Approved By Policy Review Committee

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