



Insurance & Risk Management

All Risk Special Form Property Insurance

Drew Nicholson

State Property Fire Insurance Fund (SPFIF)

- State Owned Property insured through the SPFIF managed by the NC Department of Insurance
- Covers all NC State Owned Buildings and Contents
- All leased spaces must request coverage for their contents
- Financial Implications < Increased Coverage on state owned building and contents

Why the Change?

- The UNC System updated the [Policy on Insurance Coverage](#) effective 1/1/21
- Increased the mandatory minimum required Property insurance from Fire and Lightning to All Risk Special Form coverage
- Financial Implications < Increased Coverage on state owned building and contents

What does this mean?

- Previously, Fire and Lightning coverage was free for Generally Funded Departments
- All departments pay for All Risks Special Form Property Insurance
- Financial Implications < Increased Coverage on state owned building and contents

How will premiums be allocated?

- Risk Management determined allocating premium based on departments' occupied square footage on campus was the best and most reasonable method
- Departmental square footage occupancy provided by NCSU's Building information system - FM Interact - was used to allocate the premiums

What is my department's responsibility?

- Report all suspected Property Insurance claims on the [Risk Management Website](#)
- We recoup premium through claim payments
- Update your department's square footage allocation in FMI with Sally Rau by 3/15/23

Important Billing Dates for 2023

- Update allocated square footage in FMI (with Sally Rau) by 3/15/23
- IRM will send out a sample invoice by 5/15/23
- Review sample invoice and request revisions by 6/5/23
- IRM will finalize the Property renewal by the 7/1/23 renewal date and bill your department in July/August (IRM will send the final copy of your billing statement)



What is All Risk Special Form Property Insurance?

All University Owned Buildings and Contents covered for the following perils subject to \$5,000 deductible

- Fire
- Lightning
- Windstorm
- Hail
- Explosion
- Aircraft or Vehicles
- Riot or Civil Commotion
- Smoke
- Vandalism
- Sprinkler Leakage
- Sinkhole Collapse*
- Volcanic Action
- Falling Objects*
- Weight of Snow, Ice or Sleet
- Water Damage*
- Theft
- Any other loss not specifically excluded

Further Explanation on next slide



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- **Sinkhole Collapse** – sudden sinking or collapse of land into the ground or empty spaces created by the action of water in limestone or dolomite
- **Falling Objects** – does not include loss or damage to property in the open or property in the interior of the building unless the roof of an outside structure is first damaged by the falling object
- **Water Damage** – accidental discharge or leakage of water or steam as a direct result of breaking apart or cracking of any part of a system or appliance (other than sump system including its related equipment and parts) containing water or steam.

What is All Risk Special Form Property Insurance?

Exclusions – perils not covered under this insurance

- **Ordinance or Law** - Requiring tearing down of property or ordinances requiring increase cost of construction while repairing damages from a covered cause of loss
- **Governmental Action** – Seizure or destruction of property by order of governmental authority
- **Nuclear Hazard** - Nuclear radiation or radioactive contamination unless the radiation results in a fire
- **Utility Services** - Power or utility failure occurs off premises
- **War and Military Action** - War, warlike action by a military force, insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these

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Exclusions – perils not covered under this insurance

- ***Water exclusion*** - Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray all whether driven by wind or not. Mudslide or mudflow. Water that backs up or overflows from a sewer, drain, or sump. Water under the ground surface pressure on or flowing or seeping through foundations, walls, floors, paved surfaces, basements (whether paved or not), or doors, windows, or other openings. BUT if water described above results in fire, explosion, or sprinkler leakage the fund will pay for the damaged caused by the fire, explosion, or sprinkler leakage
- ***Artificially generated electrical current*** - including electric arcing that disturbs electrical devices appliances or wires
- ***Smoke, vapor, or gas*** from agricultural smudging or industrial operations



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- ***Wear and tear*** - Rust corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself. Smog. Settling, cracking, shrinking, or expansion. Nesting or infestation or discharge or release of waste products or secretions by insect, birds, rodents, or other animals. Mechanical breakdown including rupture or bursting cause by centrifugal force.
- ***Water, other liquids, powder, or molten material*** that leaks or flows from plumbing, heating, air conditions, or other equipment (except for fire protective systems) caused by or resulting from freezing. UNLESS you do your best to maintain heat and you drain the equipment and shut off the supply if heat is not maintained
- ***Voluntary parting with any property*** if induced by fraud, trick, or false pretense
- ***Rain, snow, ice, or sleet to personal property in the open***

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Exclusions – perils not covered under this insurance

- ***Steam boilers, steam pipes, steam engines, hot water heaters*** caused by a condition inside the equipment
- ***The interior of a building or structure or to personal property in the building caused by rain, snow, sleet, ice, sand, dust, whether driven by wind or not unless the building first sustains damage caused by a covered cause of loss to its roof or walls through which the rain enters***
- ***Theft of Building materials not attached*** to the building unless held for sale
- ***Missing property*** which the only evidence of the loss is a shortage in inventory or other incident where no physical evidence to show what happened

Questions?

- [Risk Management Website](#) for further information
- kanicho4@ncsu.edu
- We are available to answer questions and help make the renewal process as smooth as possible

