



CSURMA

POLICY AND PROCEDURE NO. 9

ADOPTED: March 26, 2009

EFFECTIVE: April 17, 2006 and revised March 26, 2009

SUBJECT: PROPERTY COVERAGE OF STATE-OWNED BUILDINGS LEASED TO AN AUXILIARY ORGANIZATION AND OTHER SPECIFIED STATE-OWNED BUILDINGS

SUPERSEDES: 9-JPA

POLICY:

As a clarification of the insurable interest under the CSURMA property insurance programs, CSURMA has determined that Property Coverage for state-owned buildings is the responsibility of the University including state-owned buildings leased to an Auxiliary Organization, unless there exists a written agreement that the Auxiliary Organization is required to purchase and maintain Property Coverage for the leased building. This Policy and Procedure describes the responsibility and procedure for insuring these buildings and other specified state-owned buildings needing special deductibles in accordance with the CSU policy. This policy and procedure is not intended to impact any cost allocation practices among the campuses and auxiliary organizations that may exist or be developed in the future.

PROCEDURE:

As a result of negotiations with insurance companies and accepted by the CSU Office of the Chancellor, the CSURMA Property Coverage program will cover state-owned buildings (real property) that are leased to a CSU Auxiliary Organization as follows:

Effective: December 1, 2005

1. All buildings (real property) owned by the University (State) that are leased to a CSU Auxiliary Organization will be covered by the Campus Property Program, unless there exists a written agreement that the Auxiliary Organization is required to purchase and maintain Property Coverage for the leased building.
2. The University and Auxiliary Organization may agree to apportion that part of the University's Property Coverage premium covering buildings leased to an Auxiliary Organization. Said premium may be payable by the Auxiliary Organization to the University, or if advised by the Campus and Auxiliary Organization, CSURMA will separately invoice the premium to be paid by the Auxiliary Organization.



CSURMA

POLICY AND PROCEDURE NO. 9

3. If the lease agreement does not specify responsibility for deductibles and uninsured losses, the Campus and Auxiliary Organization shall determine responsibility for deductibles and uninsured losses.
4. All buildings which are funded by Public Works Bonds (PWB) or State Revenue Bonds (SRB) have as a maximum deductible the amount required in the applicable bond covenants.
5. If an Auxiliary Organization desires a lower deductible, then that lower deductible can be purchased as approved by the underwriters and invoicing of the additional cost shall be directed by the Campus and Auxiliary Organization
6. If it is necessary for other University owned buildings to maintain a deductible other than the standard deductible offered maintained by a Campus Member, then that specified building may be insured at a lower deductible as approved by the underwriters and the additional cost shall be invoiced as agreed.