

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM
BUSINESS PROCEDURES MANUAL

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Effective Date: July 1, 2010

Supersedes: Procedure 2.1 dated December 1, 2005

Applies To: System Office and Colleges

Procedure Responsibility: Facilities Management

Insurance

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Section 2.1.1 - General

The Property Management Division, Office of Facilities Management is in charge of obtaining liability, property, and student accident insurance for KCTCS colleges. Insurance coverage shall be reviewed annually by an established Risk Management Committee for appropriate coverage. The committee shall be comprised of representatives of Facilities Management, General Counsel, Budget, Human Resources, Academic Affairs, Purchasing, Business Services, Fire Rescue, Kentucky Board of Emergency Medical Services, Technology Solutions and the KCTCS Insurance Coordinator. Liability claims not covered by specific insurance policies are handled through the Board of Claims.

For any questions about these policies, claims, or to arrange coverage under any of them, contact the, Property Management Division, Office of Facilities Management.

Section 2.1.2 - Commercial General Liability

Offers protection to KCTCS with the following limits: General Aggregate – \$2,000,000; Products – Completed Operations Aggregate – \$2,000,000; Personal & Advertising Injury – \$1,000,000; Each Occurrence – \$1,000,000; Premises Damage (each occurrence) – \$1,000,000; and Medical Expense (any one person) – \$10,000; with no deductible.

Section 2.1.3 - Crime

Offers protection to KCTCS with the following limits: Money & Securities Protection (caused by theft, disappearance, or destruction while located inside your premises or banking premises) – from \$10,000 to \$1,000,000 with \$1,000 deductible. Peak season increase from \$100,000 to \$1,000,000 with \$1,000 deductible will apply for the fall and spring registration from August 1 to September 1 and January 1 to February 1.

Section 2.1.4 – Dishonesty

Offers protection to KCTCS with the following limits: Employee Dishonesty – \$1,000,000; Forgery or Alteration – \$1,000,000; Computer Fraud – \$1,000,000; with \$10,000 deductible.

Section 2.1.5 - Educator’s Professional Legal Liability

Offers protection to employees with the following limits: Educational Institution - \$2,000,000 with \$100,000 retention; Board Members, Trustees, Committee Members, Officers, Administrators, Deans, Teachers, other faculty members, employees, volunteers, and student teachers.

Section 2.1.6 - Day Care Liability

Offers protection to KCTCS operated Day Care Centers with the following limits: General Aggregate – \$2,000,000; each occurrence – \$1,000,000; and Medical Expenses – \$5,000; with no deductible.

Section 2.1.7 – Aviation

Offers protection to the KCTCS live work aviation program at Somerset Community and Technical College with the following limits: General Aggregate – \$1,000,000; Products-Completed Operations – \$1,000,000; Hangarkeepers – \$1,000,000 with \$5,000 deductible.

Section 2.1.8 – International

Offers protection to employees while traveling internationally with the following limits: Executive Assistance Services – \$1,000,000; Bodily Injury by Accident – \$1,000,000; Bodily Injury by Disease – \$1,000,000. Notification of travel dates, destination, and list of faculty and/or staff must be given 30 days prior to travel to the Office of Facilities Management – Property Management Division to obtain this coverage.

Section 2.1.9 - Limited Professional Liability

Offers protection to students and faculty in covered programs such as Early Childhood Development, Culinary Arts, Nursing, and a list of Allied Health programs with the following limits: Wrongful Acts – \$1,000,000 for each claim with a \$3,000,000 annual aggregate. A complete list of programs can be found in Schedule A of the insurance policy. Contact KCTCS Office of Facilities Management – Property Management Division for details.

Colleges are to provide annually estimated enrollment projections in these programs, so adequate coverage can be obtained. There is a fee assessed for this coverage.

Section 2.1.10 - Blanket Student Accident Insurance

The KCTCS provided student accident insurance policy is a secondary coverage. If the student has other insurance, the student's personal insurance policy pays first. This insurance coverage is provided for all KCTCS students. The policy covers medical accidents only, sickness is not covered. Accident Medical Expense Benefit has the following limits:

- Covered Activities – \$20,000 with no deductible
- Dental Coverage – \$250
- Accidental Death Benefit – maximum \$50,000
- Accidental Dismemberment Benefit – maximum \$50,000

Note: Excludes participation in any team sport or any other athletic activity. To secure coverage for sports activities please contact the Office of Facilities Management – Property Management Division.

Student accident reporting requirements apply in all instances.

Section 2.1.11 - Camp Accident Medical Insurance

Available for a summer camp (non-sports), activities involving participants (non-students) under the age of 18, and activities that expose participants to a risk of injury that is not ordinarily present in the academic setting. This policy covers medical accidents only, sickness is not covered. If the participant has other insurance, the participant's personal insurance policy pays first; the camp insurance coverage is secondary coverage. The following expense limits apply: Loss of Life – \$15,000; Accidental Dismemberment, Loss of Sight, Speech, Hearing, or Paralysis – \$5,000; Maximum Benefit is \$25,000 with no deductible. To secure the coverage please submit Request for Excess Medical Insurance Form FM 90 to the Office of Facilities Management – Property Management Division, while completing and retaining forms FM 91 and FM 92 on file at the college. Forms are located on the KCTCS Business Services website:

http://www.kctcs.edu/businessservices/FORMS/#FACILITIES_MANAGEMENT_FORMS.

Section 2.1.12 - Boiler and Machinery Insurance

Boilers and machinery items such as boiler and pressure vessels and mechanical and electrical equipment (excluding production machines and medical devices) are covered under an insurance policy that is available statewide for government agencies and higher education institutions. This policy also covers inspections of boilers and has a \$5,000 deductible.

Section 2.1.13 - Computer Insurance

Computer equipment is covered under an all risk policy for state government agencies and higher education institutions. This policy is very broad in coverage and includes theft of property under one of its provisions. The deductible is \$1,000 for a desktop computer and \$1,000 deductible for a stolen laptop.

Section 2.1.14 - Facility Insurance

Property Insurance is provided for all facilities under the administrative control of KCTCS. Buildings are insured under the State Fire and Tornado Fund administered by the Kentucky Department of Insurance. Coverage is always provided at a minimum of 90% of the appraised value; with some newer facilities being insured at the full 100% appraised value. A \$500 deductible applies to this policy.

Section 2.1.15 - General Contents (Equipment and Other)

General contents which have a minimum value of \$1,000 and which have an identified tag number and placed on the Asset Management Inventory are insured under the State Fire and Tornado Fund administered by the Department of Insurance. Contents are insured at 90% of the purchase price of the unit. Miscellaneous items are grouped for coverage and fall into very broad categories. A \$500 deductible applies to this policy.

Section 2.1.16 - Special Equipment/Inland Marine Insurance

Special coverage (temporary) is routinely purchased for equipment at off-campus sites, art exhibits, collections, etc. Please contact the Office of Facilities Management – Property Division to secure this coverage prior to the event.

Permanent Inland Marine insurance is routinely scheduled for coverage of equipment that move off premises such as mobile equipment, cameras, laptops, musical instruments, radio/communications equipment, fine arts, etc. with a \$250 deductible.

Section 2.1.17 - Telephone Insurance

Telephone systems are presently covered under the State Fire and Tornado policy. A \$1,000 deductible per incident applies to this coverage.

Section 2.1.18 - Vehicle Insurance

Vehicle insurance is provided in the amount of \$350,000 of liability coverage per vehicle for identified vehicles that are listed in each school's vehicle insurance policy. This insurance is primary coverage. Comprehensive and collision coverage is available upon request for vehicles less than 5 years old, with a \$500 deductible.

All drivers of KCTCS vehicles shall have a valid operator's license, be a KCTCS employee, and complete a Drivers Certification Form. The completed form is to be turned in to the business office at each college. Colleges may impose additional requirements for driving privileges, as they deem necessary.

See Procedure 2.3 of this manual for information on how to file a claim when an accident occurs while driving a state-owned vehicle.

END OF PROCEDURE