Executive Summary
Changes to Policy 3-042
Property Insurance Program
July 1, 2018

It has become necessary to eliminate the program that subsidizes insurance deductible payments required from most departments. The program, which was established in 1981, was designed to reduce the required deductible for most property losses to $500 (the University’s deductible, as established by the Utah State Division of Risk Management, is $1,000). No other state institutions of higher education or state agencies have programs to subsidize the $1,000 deductible. Further, the U’s PAC 12 counterparts and other national universities typically have deductibles greater than $1,000. In 2001, Policy 3-042 was modified to establish that the deductible be increased to $1,000 for losses due to theft, yet the subsidy for other covered losses continued.

This Program has been funded from state appropriations (approximately $7,000) and billings to participating auxiliary enterprises (approximately $5,000), with costs running at approximately $11,000 annually.

Because insurable losses are typically spread widely across campus organizations, eliminating this program will not have a significant effect on individual departments.

The proposed elimination of the policy has been reviewed by John Nixon, Vice President for Administrative Services, Cathy Anderson, Assistant Vice President for Budget and Planning, Robert Muir, Director of Treasury Services and Jerry Allred, Manager of Risk & Insurance Services.