

1. Title

Property and Casualty Insurance and Surety Bonds

2. Rule and Regulation

Sec. 1 Authority to Purchase. The terms of any insurance policies and surety bonds, other than life, disability, and health insurance policies for any U. T. System institution or for System Administration, shall be negotiated by the Director of Risk Management. The Executive Vice Chancellor for Business Affairs shall approve the purchase or renewal of policies with premiums in excess of \$500,000.

Sec. 2 Notice of Loss and Approval of Claims. At the time a loss occurs applicable to either Systemwide or individual insurance policies and surety bonds, the Director of Risk Management shall be notified by the chief business officer of the institution. For all claims, other than life, disability and health claims, the Director of Risk Management shall approve all loss claims and settlements under \$250,000. The Executive Vice Chancellor for Business Affairs shall approve any settlement between \$250,000 and \$1,000,000, and any settlements under the University's Comprehensive Property Protection Plan. Settlement of commercial insurance or surety bond claims in excess of \$1,000,000 must have the approval of the Board of Regents.

Sec. 3 Settlement of Catastrophic Claims. In the case of a catastrophic occurrence where the loss is so extensive that partial commercial insurance payments in excess of \$1,000,000 are necessary, the Chancellor is delegated authority to execute all documents related to the partial payment or adjustment. The Board of Regents will be notified by the Chancellor of all partial payments received in excess of \$1,000,000. Final settlement of commercial insurance claims in excess of \$1,000,000 will require approval from the Board.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Chief Business Officers
Risk Managers

7. System Administration Office(s) Responsible for Rule

Office of Risk Management

8. Dates Approved or Amended

Editorial amendment to Section 2 made October 24, 2013
February 10, 2005
December 10, 2004

9. Contact Information

Questions or comments regarding this Rule should be directed to:

- bor@utsystem.edu