

UNIVERSITY OF NEBRASKA

BUILDERS RISK PROPERTY INSURANCE ASSESSMENT PROCEDURES

UNFP 3.2.7.1

I. Reference and Application:

- A. On June 23, 1988, the Council of Business Officers implemented a policy for Builders Risk Property Insurance in compliance with RP-3.2.7 Operating Policy for the University of Nebraska General Self-insurance Program.
- B. Application: The procedures apply to all University construction, maintenance and repair projects with a total project cost greater than \$100,000. Projects excluded from the report are projects begun and completed within the fiscal year and projects that list the contractor as in-house personnel.

II. Objectives and Limitations:

The objective of these procedures is to provide a streamlined and effective way to manage construction assessment while maintaining the University of Nebraska Self-Insurance Trust Account.

III. Procedures

- A. The Chief Facilities Officer will quarterly request from the University campuses a list of projects with a total project cost greater than \$100,000.
- B. Annually, an assessment will be made on the construction cost of the project as provided in the estimated cost of the project or if bid, the low responsible bid(s) for the construction of the project. The Builders Risk premium will be a pro rata share of the estimated length of the project from the notice to proceed to the schedule date of substantial completion.
- C. The formulas used in determining the amounts charged to the University's self-insurance trust account will be determined by the Assistant Vice President for Business and Finance and the Chief Facilities Officer based on information received from the University's insurance broker. The annual assessment will be based on the following formula: Annual Rate x Construction Period x Construction Cost.
- D. The Director of Accounting Services will process the necessary forms for payment by the campuses into the University's self-insurance trust account.

Date: January 2001

Revised: January 2019