

Building and Contents

The University purchases property damage insurance for all state owned buildings and contents through the State of Georgia, Department of Administrative Services, Risk Management Services.

Insurance is issued by the D.O.A.S. Risk Management Services pursuant to the authority granted by O.C.G.A. Section 50-16-9 to keep covered State property including, but not limited to, "state owned" public buildings and the contents thereof.

Words and phrases that appear in quotation marks have special meaning and are defined in the Definitions Section.

COVERAGE

DOAS will pay for direct physical loss to Covered Property at the premises described in the "Property Register" and for which a location and value is shown. The property register is maintained by the Risk Management office.

COVERED PROPERTY

Covered Property, means the following types of property described in the "Property Register" and for which a location and value is shown:

Building, meaning a "state owned" building or structure described in the "Property Register", including:

- Completed addition;
- Permanently installed:
- Fixtures:
 - a. Machinery
 - b. Equipment
 - c. Fences
- Radio and television antennas, including their lead-in wiring, masts or towers; or Signs, other than highway;

Business Personal Property meaning "state owned" contents described in the "Property Register" and located in a building or structure occupied by Valdosta State University.

The following items fall under Business Personal Property category:

- Furniture and fixtures;
 - a. Machinery and equipment;
 - b. "Stock";
 - c. All other business personal property owned by VSU and used in your daily VSU operations.

PROPERTY NOT COVERED

Covered Property does not include:

- Accounts, bills, bullion, currency, deeds, food stamps or other evidences of debt, furs, jewelry;, money, lottery tickets, notes, precious or semiprecious stones, or securities;
- Aircraft or watercraft;
- Animals;
- Fine Arts and antiques;
- Land (including land on which the property is located), water, crops, lawns, standing timber, landscaping, trees, shrubs and other outside vegetation; except that this exclusion does not apply to:
land improvements consisting of bridges, overpasses, tunnels, highways, roadways, walkways, or other paved surfaces that are not part of the state highway system, but not including any fill or land beneath such property;
- Underground utilities, power transmission lines and feeder lines not on State owned property;
- Self-propelled vehicles and trailers tagged for road use and other self-propelled vehicles (not tagged for road use);
- Underground pipes, flues or drains, mines or mine shafts or any property within such mine or shaft;
- Dams and dikes;
- Personal property of state employees or of any other occupant(s) of a state owned or leased building or premises;
- Any building or structure that is unoccupied and where VSU has no plans to repair to replace the building or structure.

COVERED CAUSES OF LOSS

Insurance coverage is provided against the following causes of loss:

Fire

Lightning

Explosion, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss by:

1. Rupture, bursting or operation of pressure relief devices; or
2. Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.

Windstorm or Hail, but not including:

1. Frost, freezing or cold weather;
2. Ice (other than hail), snow or sleet, whether driven by wind or not.

Smoke causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operation.

Aircraft, Watercraft or Vehicles, meaning only physical contact of an aircraft, a spacecraft, a self-propelled missile, a watercraft, a vehicle or an object thrown up by a vehicle with the Covered Property. This cause of loss includes loss or damage by objects falling from aircraft. Coverage is also provided when loss is caused by or resulting from aircraft, watercraft or vehicles owned by VSU which are operated in the course of daily VSU operations.

Riot or Civil Commotion, including:

1. Acts of striking employees causing damage while occupying Covered Property; and
2. Looting occurring at the time and place of a riot or civil commotion.

Vandalism, meaning willful and malicious damage to, or destruction of the Covered Property. Police report is required to substantiate the loss.

Sprinkler Leakage, meaning leakage or discharge of any substance from an "Automatic Sprinkler System", including collapse of a tank that is part of the system, which causes damage to Covered Property. If the building or structure containing the Automatic Sprinkler System is Covered Property, DOAS will also pay you for the cost to:

1. Repair or replace damaged parts of the "Automatic Sprinkler System: if the damage:
 - a. Results in sprinkler leakage; or
 - b. Is directly caused by freezing.
2. Tear out and replace any part of the building or structure to repair damage to the "Automatic Sprinkler System" that has resulted in sprinkler leakage.

Sinkhole Collapse, meaning loss caused by the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

1. The cost of filling sinkholes; or
2. Sinking or collapse of land into man-made underground cavities.

Volcanic Action, meaning direct loss or damage resulting from the eruption of a volcano when the loss is caused by:

1. Airborne volcanic blast or airborne shock waves;
2. Ash, dust or particulate matter; or
3. Lava flow.

All volcanic eruptions that occur within any 72-hour period will constitute a single loss. This cause of loss does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

Earth Movement, meaning direct physical loss or damage from any natural or man-made earth movement including, but not limited to earthquake or landslide regardless of any other cause or event contributing concurrently or any other sequence of loss.

All earth movement within a continuous 72 hour period will be considered a single earth movement.

Flood, meaning direct physical loss or damage from surface waters; rising waters; waves; tide or tidal water; the release of water, the rising, overflowing or breaking of boundaries of natural or man-made bodies of water; or the spray there from; or sewer backup resulting from any of the foregoing; regardless of any other cause or event contributing concurrently or in any other sequence of loss.

Falling objects. Meaning objects of any type falling from any source. DOAS will not pay for loss to the interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

Weight of Snow, Ice or Sleet causing damage to Covered Property.

Water Damage, meaning accidental discharge or leakage of water or steam, causing loss to Covered Property, as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam, other than an "automatic sprinkler system". If the building or structure containing the system or appliance is Covered Property, DOAS will also reimburse you for the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or steam escapes. Damage caused by water resulting from covered loss to the interior of any covered building or structure, or to Personal Property caused by rain, snow, sleet or ice is considered Water Damage.

DOAS will not pay VSU for:

1. The cost to repair any defect that caused the loss or damage;
2. For loss or damage caused by or resulting from continuous or repeated seepage or leakage that occurs over a period of 14 days or more; or
3. For loss or damage caused by freezing, unless:
 - a. Best efforts taken to maintain heat in the building or structure; or
 - b. Equipment is drained and water shut off if the heat is not maintained.

Burglary, meaning loss to covered building(s) and/or loss of personal property resulting from burglary. A police report must be provided.

ADDITIONAL COVERAGE

Collapse

DOAS will pay VSU for loss caused by or resulting from direct physical loss involving collapse of a Covered Building or any part of a Covered Building caused by one or more of the following:

- Fire; lightning; explosion; windstorm; hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; earthquake; flood; falling objects; weight of ice, snow or sleet; water damage; burglary; all only as covered in this Coverage Part;
- Hidden decay;
- Hidden insect or vermin damage;
- Weight of people or personal property, including non-state owned property;
- Weight of rain that collects on a roof; and
- Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of construction, remodeling or renovation.

Collapse does not include normal settling, cracking, shrinkage, bulging, or expansion.

Debris Removal

DOAS will pay VSU for expenses to remove debris from Covered Property caused by or resulting from a Covered Cause of Loss.

This additional coverage does not apply to cost to:

- Extract "pollutants" from land or water;
- Remove, restore or replace polluted land or water; or
- Removing landscaping, trees, shrubs and other outside vegetation unless resting upon or on a covered location.

Preservation of Property

If it is necessary to move Covered Property from a premises described in the Property Register to preserve it from loss or damage by a Covered Cause of Loss, DOAS will pay VSU for any covered loss to that Covered Property while it is in transit or while temporarily stored at another location.

Fire Department Service Charge

If a fire department is called to save or protect Covered Property from a Covered Cause of Loss, DOAS will pay VSU for liability for fire department service charges that you:

- Assumed by contract or agreement prior to loss; or
- Required by local ordinance.

Limited Radioactive Contamination

DOAS covers Covered Property other than nuclear reactors or their fuel, against direct loss or damage caused by sudden and accidental radioactive contamination, provided such radioactive contamination arises out of materials of State premises.

Increased Cost of Construction (Code upgrades)

In the event of loss to a covered building or structure caused by a Covered Cause of Loss, DOAS will reimburse VSU for the additional reconstruction costs related to the minimum improvements required to maintain a certificate of occupancy.

Business Interruption (time element)

Valdosta State University is not included under this business interruption clause and thus will not be reimbursed for this element included in any insurance claims.

Extra Expense

Covers property insured by VSU for "extra expense" incurred resulting from loss, damage, or destruction to Covered Property by any of the Covered Causes of Loss covered by this Agreement.

Rental Value

(1) "Rental value" loss sustained by VSU resulting directly from the necessary untenability caused by loss, damage, or destruction by any Covered Cause of Loss to real or personal property, but not exceeding the reduction in "rental value" less charges and expenses which do not necessarily continue during the period of untenability.

(2) Experience of the business:

a. In determining the amount of "rental value" covered hereunder for the purposes of ascertaining the amount of loss sustained, due consideration will be given to the rental experience before the date of damage or destruction and to the probable experience thereafter had no loss occurred.

b. With respect to alterations, additions, and property while in the course of construction, erection, installation or assembly, due consideration will be given to the available rental experience of the business after the completion of the construction, erection, installation or assembly.

Provisions Applicable to Extra Expense Rental Value

(1) Period of Recovery: The length of time for which loss may be claimed by VSU.

a. will not exceed such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property as has been destroyed or damaged.

b. and, such additional length of time to restore your business to the condition that would have existed had no loss occurred, commencing on the date on which repair, replacement or rebuilding of such part of the property as has been damaged is actually completed; but in no event for more than one year thereafter from said commencement date;

c. with respect to alterations, additions, and property while in the course of construction, erection, installation, or assembly will be determined as provided in (a) above but such determined length of time will be applied to the experience of the business after the business has reached it's planned level of production or level of business operation;

d. will commence with the date of such loss or damage.

(2) Special Exclusions: This section of the Agreement does not insure against any increase of loss which may be occasioned by the suspension, lapse, or cancellation of any lease, license, contract, or order; nor for any increase of loss due to interference at your premises by strikers or other persons with rebuilding, repairing, or replacing the property damaged or destroyed, or with the resumption or continuation of business, or with the re-occupancy of the premises; nor for any loss occurring to property in transit off premises.

(3) Expenses to Reduce Loss: This Agreement also covers such expenses as are necessarily incurred for the purpose of reducing any loss under this Agreement, even though such expenses may exceed the amount by which the loss under this Agreement is thereby reduced.

(4) Extension of Coverage: This Agreement, subject to all provisions, also insures against loss resulting from damage to or destruction by the Covered Causes of Loss to: electrical, steam, gas, water, telephone, and other transmission lines and related plants, substations and equipment situated on or with one thousand feet of the covered Property.

(5) Interruption by Civil Authority: This Agreement is extended to cover the loss sustained during the period of time when, as a direct result of a Covered Cause of Loss, access to real or personal property is prohibited by civil authority. This extension of coverage starts from the date of the loss for a period not to exceed 30 consecutive days.

(6) Ingress/Egress: This Agreement is extended to cover the loss sustained during the period of time when, as a direct result of a Covered Cause of Loss, ingress to or egress from Covered Property is thereby prevented. This extension of coverage starts from the date of the loss for a period not to exceed 60 days.

Electronic Data Processing Systems, Media and Equipment

1. Contents covered under this coverage section includes:

- Electronic Data Processing Equipment, Electronic Data Processing Media, Accounts Receivable and Valuable Papers; and

- Electronic Data Processing Media Duplicates while stored at an unnamed location for a limit of coverage not to exceed \$50,000 per loss;
- "Extra Expense" incurred resulting from loss to contents by any Covered Causes of Loss;

2. Covered Causes of Loss under this Coverage section includes:

- All risk of direct physical loss of or damage to property described herein, except loss or damage caused by or resulting from:
 - a. Wear and tear, inherent vice, gradual deterioration, rust, corrosion, insects or vermin;
 - b. Error in machine programming or instructions to the machines;
 - c. Error, omission or deficiency in design, plan, specification or workmanship;
 - d. Theft, unless caused by "burglary". A police report must be provided.
 - e. Computer virus.

3. Valuation

- Electronic Data Processing systems and equipment will be paid for at "replacement cost", if not repaired or replaced, then "actual cash value".
- Electronic Data Processing Media will be paid for at "replacement cost"; if not repaired, replaced or restored within two years from the date of loss, the blank value of the electronic data processing media.
- Valuable Papers and Records will be paid for based on what is determined to be the lesser cost:
 - a. The cost to repair or restore the item to the condition that existed immediately prior to the loss; or
 - b. The cost to replace the item.

4. Definitions

- Electronic Data Processing Equipment means electronic data processing systems which is a network of equipment components and related peripheral equipment capable of accepting information, processing it according to a plan and producing the desired results.
- Electronic Data Processing Media means material on which data is recorded, such as tapes, disc packs, punch cards or other recording devices including the information (data) recorded thereon.
- Valuable Papers and Records includes unconverted data.

Boiler and Machinery

Insurance provisions pertaining to boilers and machinery located in Covered Property structures are on file in the D.O.A.S. RMS Office.

Coverage Extension

DOAS automatically extends coverage to any new "state owned" building, structure or contents you acquire during the fiscal year. **Newly acquired**

"state owned" buildings, structures and personal property values totaling in excess of \$100,000,000 MUST be reported to D.O.A.S. within 60 days of acquisition in order to satisfy reporting requirements imposed by the State's commercial excess property insurance companies.

EXCLUSIONS

DOAS will not pay for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Asbestos Materials

- Asbestos material removal unless the asbestos itself is damaged by fire, lightning, explosion, windstorm or hail, smoke, aircraft or vehicle impact, riot or civil commotion, vandalism, or sprinkler leakage;
- Demolition or increased cost of construction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating asbestos material;
- Any governmental direction or request declaring that asbestos material present in or part of or utilized on any undamaged portion of your property can no longer be used for the purpose for which it was intended or installed and must be removed or modified.

Electronic Data Recognition

- The failure of any system, whether the property of VSU or others, to recognize any date involving any date change; or
- Any modification of any system, whether the property of VSU or others, to permit such system to recognize any data involving any date change.

However, if physical loss or damage not otherwise excluded by this Agreement results, then subject to all its terms and conditions, this Agreement shall be liable only for such resulting loss or damage.

Definitions for Electronic Data Recognition exclusion:

"System" means any computer system, hardware, firmware, program, or software or any microchip, integrated circuit, or similar device in computer equipment or non-computer equipment.

"Recognize" means to recognize, interpret, calculate, compare, differentiate, distinguish, accept, sequence or process.

"Data" means any data, instruction or information.

"Date Change" means the date change to the year 2000, the date change in any leap year or any other date change.

"Modification" means any modification, change, addition, alteration or correction.

Governmental Action

Seizure or destruction of Covered property by any government body, including any customs or quarantine action, or the confiscation or destruction of any Covered Property by order of any government or public authority, except an order to destroy Covered Property to prevent the spread of fire or explosion.

Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, except as provided in Paragraph under referring to Limited Radioactive Contamination, under Additional Coverage.

War and Military Action

- War, including undeclared or civil war;
- Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

LIMITS OF COVERAGE

The most DOAS will pay for any one covered loss occurrence under this Agreement is \$3,000,000.

Should a covered loss under this Agreement, arising from a single loss occurrence exceed \$300,000,000, then the policy provisions contained in the commercial excess property insurance policies purchased by D.O.A.S. will dictate any additional limits of coverage available at the time of loss.

DEDUCTIBLES

All Covered Causes of Loss to Covered Property, with the exception of those shown below in this section, are subject to a \$1,000 deductible, per occurrence.

Loss to Covered Property caused by or resulting from aircraft, watercraft or vehicles which you own or are operated in the course of your operations is subject to a \$25,000 deductible, per occurrence.

Where the cause of loss is burglary, laptop computers are subject to a \$1,000 deductible per unit.

DEFINITIONS

"Actual Cash Value" means the "replacement cost", at the time of loss, of the damage or destroyed property, less depreciation.

"Automatic Sprinkler System" means:

Any automatic fire protective or extinguishing system, including connected:

- Sprinklers and discharge nozzles;
- Ducts, pipes, valves and fittings;
- Tanks, their component parts and supports; and
- Pumps and private protection mains.

When supplied from an automatic fire protective system:

- Non-automatic fire protective systems; and
- Hydrants, standpipes and outlets

"Burglary" means forcible entry into a building or structure. There must be evidence of forcible entry. The Covered Property must be protected by a security device(s). Any and all security device(s) must be engaged at the time of the "burglary". There must be evidence that the security device(s) were engaged and circumvented or defeated at the time of the "burglary". If there is no evidence of forcible entry, a loss to Covered Property can also be considered "burglary" if the Covered Property was secured by means such as a chain, lock, cable, bolted, and there is evidence of forced removal.

"Extra Expense" means the excess of the total cost incurred during the period of restoration of the damaged Covered Property over and above the total cost that would normally have been incurred to conduct operations during the same period had no loss occurred. These are expenses incurred around the time of the loss with the goal to reduce or mitigate the extent of the loss.

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

"Property Register" is the register on which VSU reports values and locations of Covered Property to DOAS.

"Rental value" for the purposes of this Agreement is defined as the sum of:

- a. The total anticipated gross rental income from the tenant occupancy of the described property as furnished and equipped by you, and
- b. the amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be obligations of you, and

c. the fair rental value of any portion of said property which is occupied by you.

"Replacement cost" means the amount it would take to replace the damaged or destroyed property with property of like kind and quality, determined at the time of loss.

"State owned" building, structure or contents means property to which the State of Georgia has legal title and over which it exercise possession or control.

"Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

PROCEDURES FOR ESTABLISHING CLAIMS

The procedures for establishing a claim against the State Owned Building and Property Agreement are as follows:

Supply the Risk Management office written documentation to support a claim. You may fax documentation to (229) 333-2159 or e-mail Kevin Boyd at wiboyd@valdosta.edu. Losses must be reported within 24 hours from the date the loss was discovered.

Notify law enforcement authorities where appropriate.

Take the necessary steps to protect the property from further damage.

DOAS Risk Management may assign an investigator to investigate the claim.

Provide all supporting documentation for the claim as requested by DOAS Risk Management Service including estimates of repair or replacement. This can include: incident reports, statements of witnesses, correspondence, photographs, bills and estimates.

Final repair or replacement cost documentation must be provided to Administrative services for final claim submission to DOAS Risk Management.