

Equipment Management
Insurance F.A.Q.'s
Updated 5-20-14

1) How does the current insurance program work?

Answer: Currently, the Insurance Office allocates insurance premiums by building at the tub level, so departments are not charged individually as they were in the past. Each department is required to maintain its own inventory lists for insurance purposes in case of loss. Harvard University is self-insured to \$2.5 million for building and building systems. Furnishings/contents/equipment are self-insured to \$25,000. Insurance will pay for repairs or the Actual Cash Value (i.e. the depreciated cost of the item, at the time of loss) whichever is less. If the item is replaced, insurance will reimburse up to the full replacement cost of an equivalent item less the deductible.

2) What is the deductible for insurance? Is it per item or per incident?

Answer: The current deductible per incident is \$25,000. This amount is effective 7/1/11.

3) If a capital item is not in Equipster does that mean it is not insured?

Answer: In the event of a loss, insurance will pay only for assets that are on our inventory lists. Most departments elect to use Equipster, an intuitive Web-based equipment database provided by the FAS, to maintain these lists, but any list that contains all the necessary information is acceptable for insurance purposes. Note that Equipster use is mandatory for departments that have capital equipment costs and perform work on sponsored research projects. Since claims over \$25,000 will be handled by our insurance carrier, the rule of thumb is put things on an inventory as the insurance carrier will be asking for this type of documentation at the time of a claim. So, if it is not on an inventory, it is unlikely that they will reimburse. They may accept recent invoices as proof, but that is not a guarantee.

4) How should non-capital items be tracked?

Answer: For all non-capital items, it is recommended by the Insurance Office that departments keep an inventory list that contains at least the following information:

- description
- make
- model
- serial number
- location
- approximate replacement Value

Equipster can be used to maintain these lists of non-capital items, or any other system, but in the event of a loss, some list of affected items containing as much of the above information as possible will have to be provided to the Insurance Office.

5) If I have a transaction that is listed on the Equipster homepage but have not yet assigned it to a tagged asset, would it still be properly insured?

Answer: Yes, if the basic information is listed, most likely it would be insured, if you can show proof of payment and receipt of goods.

6) How do I insure equipment that was purchased with my department's funds but that resides in another building?

Answer: In general, the department that purchased the equipment is responsible for inventorying it, so you should maintain an entry for the equipment in Equipster even if it is in another department's building. The same is true for non-capital items. It would be recommended to show the location of where the equipment resides if your department still owns the equipment.

7) How do I insure equipment that was purchased by another department or school but now resides in my department? Is it covered by insurance?

Answer: If no other department is responsible for inventorying the equipment, put the item on your inventory list if it cost less than \$5K or into Equipster as a "manual entry" if it cost more than \$5K. Provide as much information about the item as possible, to assist the Insurance Office in arriving at an appropriate replacement cost in the event of a loss

8) What about Harvard-owned items that are housed off-campus?

Answer: If the items are Harvard-owned and kept in a domestic off-campus location, they should be put on your inventory list and they will be covered automatically under Harvard's insurance. If the items are significant in value, you will want to notify the Insurance Department to confirm coverage, which may require a physical inspection of the location by the Insurance Department. There is separate insurance coverage that your department may want to purchase for these items, which can be done through the Online Risk Management System.

9) What is the guideline for insuring fabrications?

Answer: Fabrications should be inventoried like commercially-made equipment. If there is a loss, insurance will pay to replace the components and materials and for the reasonable hourly labor time to build the fabrication.

10) When transporting equipment off-site or out of the country, what needs to be done?

Answer: Contact the Insurance Office immediately. Special policies can be provided if necessary, depending on each situation. For anything that is sent to a country that is on the US no-trade list, there is no coverage.

11) How is leased equipment insured?

Answer: Items are only covered by Harvard's policy if required in the lease agreement. If it is not in the lease agreement, then the owner of the equipment must provide coverage. When leasing/renting/borrowing a piece of equipment the entity it is being leased/rented/borrowed from usually requires a certificate of insurance to validate the equipment is covered under our insurance program. The department can obtain a certificate of insurance using the Online Service Center available through our web page, the link is provided below.

Web link: <http://rmas.fad.harvard.edu/pages/online-risk-management-system-0> Click on this link and it will take you to the Insurance Department web page. Scroll down to the bottom of the page and click on the blue button marked "Online Risk Management System". A pop up window will appear, enter your HUID and PIN and you will be taken to the extranet site created by our insurance broker, Risk Strategies.

Click on "Request a Certificate of Insurance", fill out the form in its entirety. Upload a copy of the lease/written agreement using the "Attach File" feature at the top left on the form.....this is very important as the broker will need to see the insurance requirements by the other party in order that the certificate being issued is accurate. Once the form is complete and the lease/written agreement is attached, click "OK" to submit your request to our broker. Once complete, the form and attachments are transmitted to Risk Strategies to produce the certificate of insurance which will be emailed to your attention. Should you have any issues or problems with this form please contact the insurance department.

12) When a lab is being constructed, some of the equipment items are built into the price of the lab space. How are these covered?

Answer: Items that were paid for by a construction project are considered "fixed equipment" and insured as part of the building, not its contents. There is a \$25,000 deductible on fixed equipment and building damages. "Moveable equipment," regardless of whether it was purchased during construction or afterwards, should be inventoried. Furniture generally does not need to be inventoried by departments, unless the item is really special or has significant monetary value.

13) If a computer is purchased on University funds, i.e. Start-up, TAD, etc., is it automatically insured?

Answer: It needs to be on the inventory list.

14) If an insured Harvard-owned computer is stolen and then recovered, will the University pay for the data recovery as part of the insurance? Would such a computer be covered for vandalism?

Answer: No data recovery is covered under Harvard's insurance policy. There are special insurance policies for data recovery, and each situation would need to be reviewed carefully. Contact the Insurance Office for these particular situations. Thefts and vandalism need to be reported to the Police in the town/city where the event occurred. A copy of a police report is required for all incidents. If there is negligence or mysterious disappearances or even mistreatment of items, they will not be covered.

15) If a faculty member purchases a new drive or software with Harvard funds for use on his or her personal computer, is there any coverage provided?

Answer: No, there is no coverage for personal items. Software is not insurable under Harvard's Policy. The faculty member would need to contact his or her personal insurance company.