



Pete Ricketts, Governor

TO: State of Nebraska Agencies, Boards and Commissions
FROM: Allen D. Simpson, State Risk Manager
CC: Jason Jackson, Director of Administrative Services
RE: State of Nebraska – Annual Insurance Renewal for 2022-2023 Fiscal Year

Date: January 4, 2022

The Risk Management Division of the Department of Administrative Services (“Risk”) has the statutory authority to be the exclusive negotiating and contracting agency to purchase insurance or risk management services on behalf of the State of Nebraska, its agencies, officials, and employees. Each year, Risk solicits each agency for information relating to its real and personal property (buildings, automobiles, and contents) to insure these items for the upcoming fiscal year. This memo serves to advise agencies, boards, and commissions of the upcoming insurance renewal and directions on how to provide the necessary information to Risk. If an agency is interested in procuring insurance coverage outside of property (real or personal), please contact Risk directly.

The renewal process is managed through the insurance application contained within the Payroll & Financial Center, also known as E1. Agency users responsible for maintaining and submitting insurance coverage requests must have either a RM20 Role (Agency Insurance Preparer) or a RM30 Role (Agency Risk Manager Insurance Contact). These roles must be requested through the Authorized Agent Process. These Roles should only be assigned to those needing access to maintain and submit insurance requirements.

Individuals can review requested and assigned roles by viewing the User Authorization Table in E1. The User Authorization Table can be viewed by following the outlined path within E1: State of Nebraska > Authorized Agent > Security Request Inquiry > search for the RM Role in the Security Role column for those assigned or on the Requested Role column for those waiting to be assigned.

All buildings and vehicles owned by the State of Nebraska must be insured. Contents are insured at the discretion of each agency. If an agency does not have property to insure, please send an email to Risk at as.riskinsurance@nebraska.gov indicating declination of coverage. Please be advised if an agency suffers a loss, and such exposure was not declared, the agency will have to absorb the loss from its budget.

All property must be updated within the E1 insurance application by **Friday, March 11, 2022**. **This is a firm deadline as we submit this information to our insurance broker as part of the annual renewal process.** Any updates made after this time, may not be included in the State’s overall Schedule of Values and thus not insured for the 2022-2023 fiscal year. Again, it is imperative each Agency complete the process in a timely manner.

Allen D. Simpson, State Risk Manager

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EXPLANATION OF COVERAGES

Contents Coverage:

Contents insurance covers damage to, or loss of, business possessions within a particular location. Furniture, office equipment, cubicles, etc. would be considered contents. These items typically do not leave the premises on a regular basis. Please note, that content coverage does not include electronic computer equipment – see the sub-section titled “inland marine” for more information.

A total contents value for each location should be reported, along with a detailed inventory list documenting the contents at that location. If a loss is incurred, the inventory list will be used when submitting the claim to the insurance carrier. **PLEASE DO NOT delete the inventory lists from prior Fiscal Years.**

Contents requiring additional information to be reported:

- Individual items valued at \$5 million or more must be identified individually at each location.
 - o These items will have their own contents record.
- Fine Arts totaling \$1 million or more at any one location must be identified.
 - o Each item must be identified by value, location, and description.
 - o Please indicate if the location is owned or leased by the State of Nebraska.
 - o Fine Arts are defined as: paintings, etchings, pictures, tapestries, rare or art glass, valuable rugs, glass windows, statuary, sculptures, antique furniture, antique jewelry, bric-a-brac, porcelain, and similar property of rarity, historical value and/or artistic merit.
 - Fine arts exclude: automobiles, coins, stamps, furs, jewelry, precious stones and metals, watercraft, aircraft, money and/or securities.
 - o Items on loans received throughout the fiscal year **MUST** be reported to Risk, and the inventory list updated accordingly.
- Valuable Papers/Records must be identified individually at each location.
 - o Valuable Papers/Records are defined as: written, printed or otherwise inscribed documents and records, including books, manuscripts, maps, drawings, file, and other photographically produced records, such as, slides and microfilms, legal and financial agreements such as deeds, mortgages and leases.
 - Valuable Papers/Records exclude: Money and/or securities, media, data, application software, system software, or source code.

All reported values should represent 100% of the replacement cost of the property.

The rate for contents coverage for FY22-23 is \$0.0755 per \$100 of replacement value with a deductible of \$5,000 per occurrence.

Again, if your agency does not wish to insure contents for the 2022-2023 fiscal year, please send an email to Risk at as.riskinsurance@nebraska.gov making such indication.

Contents – Inland Marine Coverage:

Inland marine insurance covers business electronic property that may leave the described premises. Examples of business electronic property include:

1. Electronic data process equipment
 - a. For example: Computers, printers, servers, communication towers, software and related equipment.
2. Contractor Equipment
 - a. For example: Cranes, earth-moving equipment, tree trimming and related equipment.

3. Miscellaneous Equipment

- a. For example: Cameras, audio visual equipment, miscellaneous machines, gauges, monitors, phones and related equipment.

Please be sure to attach a detailed list of your agency's inventory with applicable replacement values within the contents/inland marine record section of E1. The inland marine record should indicate whether the cover is 1) electronic data processing equipment, 2) contractor equipment, or 3) miscellaneous equipment.

Radio/Telecommunications Towers should be listed individually, by location. Please be as specific as possible when listing the location.

All reported values should represent 100% of the replacement cost of the equipment.

The rate for contents coverage for FY22-23 is \$0.0425 per \$100 of replacement value with a deductible of \$500 per occurrence.

Automobile Coverage:

Automobile insurance is provided in two coverage categories, liability and physical damage/comprehensive coverage. Liability coverage protects the State and agencies from suits brought by third parties for bodily injury or damage to a third party's vehicle or other property, when the State's automobile is being used for State business. **NOTE: All State-owned vehicles MUST be insured for liability coverage.**

Physical damage/comprehensive coverage insures State owned vehicles for damages that might occur from a collision with another vehicle or object, and provides protection from the vehicle if it is damaged by something other than a collision, such as hail or a fallen tree.

Agencies should update its vehicle inventory in E1 and elect the desired automobile coverage. Agencies are not required to report on vehicles that are leased from Transportation Services Bureau (TSB), but agencies are required to notify Risk Management of any leased vehicle that require insurance as part of the lease agreement. **NOTE: The reported value of all vehicles is the purchase price. This value should never change. If your agency does not own any vehicles, please send Risk an email (as.riskinsurance@nebraska.gov) making such indication.**

The rate for liability coverage for FY22-23 is outlined in the current Biennium Budget Instructions and the assessments are derived from an actuarial study, which identified actual claims and loss history for each state agency, board, and commission that owns vehicles.

The rate for physical damage coverage FY22-23 is \$1.906 per \$100 of valuation with a \$1000 deductible per accident. If a vehicle is permanently assigned to an agency by TSB, the agency will be responsible for the deductible.

Real Property (Building) Coverage:

Building insurance coverages damage and/or loss to real property. The State Building Division (SBD) is responsible for insuring most of the buildings throughout the State. However, a limited number of agencies own their own buildings. If an agency owns its buildings, independently, it must ensure that its buildings have adequate insurance coverage.

All State-owned buildings must be covered by insurance. Agencies must decide whether to insure a building for replacement value (BLR) or insurance value (BLI). Replacement value for all State buildings is maintained by SBD and preserved in the "replacement value" field in E1. Agencies cannot change this value. Insurance value is any other value other than the replacement value. Agencies may input any value into this field. If insurance value is selected, the building will be insured for the valued listed.



The rate for real property coverage FY22-23 is \$0.0975 per \$100 of valuation with a \$5000 deductible per occurrence.

Change in policy: Starting Fiscal Year 2022, agencies will be required to insure buildings at replacement cost or greater. No longer will buildings be permitted to be insured for less than replacement cost.

*There is an exception for the Nebraska Military Department for those buildings that are partially federally funded.

Please note that Risk Management has a contract with NRMA to serve as a third-party administrator for all claims involving state property. When there is loss or damage to State property, NRMA MUST be contacted to investigate, determine damage and pay the associated costs for such damage. NRMA may be contacted at 402-742-9220 or john@nirma.info. If you have any questions regarding the insurance renewal and/or NRMA's role, please contact Risk Management at 402-471-2552.

Once again, the renewal process is managed through the insurance application contained within E1. Risk has the following refresher trainings on the renewal process scheduled:

- January 20, 2022 – 1:30 p.m. – 2:30 p.m.: via Skype Webinar
- January 27, 2022 – 10:30 a.m. – 11:30 a.m.: 1526 K Street, 4th Floor, Conference Rm D
- February 3, 2022 – 10:30 a.m. – 11:30 a.m.: via Skype Webinar

Please register for training by emailing Ambyr Bomberger at ambyr.j.bomberger@nebraska.gov

If you are unable to attend one of these sessions and you would like to schedule a one-on-one session, or need other assistance please contact Risk (as.riskinsurance@nebraska.gov / 402-471-2552).

Thank you in advance for your timely response to this request for information.

Sincerely,

Allen D. Simpson
Allen Simpson, State Risk Manager

