

# NEBRASKA

Good Life. Great Service.

DEPT. OF ADMINISTRATIVE SERVICES



Jim Pillen, Governor

**TO:** State of Nebraska Agencies, Boards, and Commissions  
**FROM:** Adam W. Kauffman, State Risk Management Manager  
**CC:** Jason L. Jackson, Director of Department of Administrative Services  
**RE:** State of Nebraska – Annual Insurance Renewal for Fiscal Year 2024-2025  
**DATE:** January 5, 2024

The Risk Management Division of the Department of Administrative Services ("Risk Management") 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 Management 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 Management. If an agency is interested in procuring insurance coverage outside of property (real or personal), please contact Risk Management 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 Management 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 owned by the State of Nebraska must insured. All vehicles must be insured for liability coverage, but may decline physical damage/comprehensive coverage in the Agency's discretion. Contents are insured at the discretion of each agency. If an agency does not have property to insure, please send an email to Risk Management at [as.riskinsurance@nebraska.gov](mailto:as.riskinsurance@nebraska.gov) indicating declination of coverage. Please be advised if an agency suffers a loss on contents for which insurance was not selected or non-liability loss on a vehicle for which it has declined physical damage/comprehensive coverage, the agency will have to absorb the loss from its budget.

All property must be updated within the E1 insurance application by **Friday, March 8, 2024**. **This is a firm deadline as Risk Management submits this information to the State's insurance broker as part of the annual renewal process.** Any updates made after this time may not be included in the "Schedule of Values" submitted to the insurance

Adam W. Kauffman, Risk Manager  
Department of Administrative Services | RISK MANAGEMENT  
PO Box 94974  
Lincoln, NE 68509-4974  
[das.nebraska.gov](http://das.nebraska.gov)

OFFICE 402-471-2551  
FAX 402-471-2800

broker. Generally, items not reflected on the Schedule of Values will not be insured for the 2024-2025 fiscal year. As a result, it is imperative for each Agency to timely complete the insurance renewal process.

## **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.
  - o 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 Management, 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.
  - o Valuable Papers/Records exclude: Money and/or securities, media, data, application software, system software, or source code.

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

The rate for contents coverage for FY24-25 is \$0.1060 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 2024-2025 fiscal year, please send an email to Risk Management at [as.riskinsurance@nebraska.gov](mailto:as.riskinsurance@nebraska.gov) indicating declined coverage.

### **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** (e.g., computers, printers, servers, communication towers, software and related equipment)
2. **Contractor Equipment** (e.g., cranes, earth-moving equipment, tree trimming and related equipment)
3. **Miscellaneous Equipment** (e.g., 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 percent of the replacement cost of the equipment.

The rate for contents-inland marine coverage for FY24-25 is \$0.0763 per \$100 of replacement value with a deductible of \$500 per occurrence, except for occurrences related to communications towers. The deductible for communications towers is \$5,000 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. Physical damage/comprehensive coverage is optional for State-owned vehicles. ***Be advised that if an agency does not select physical damage/comprehensive coverage for a vehicle, the agency will have the agency will have to absorb any loss related to that vehicle from its budget.***

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. **PLEASE NOTE:** The reported value of all vehicles is the purchase price. This value should never change.

Please send Risk Management an email ([as.riskinsurance@nebraska.gov](mailto:as.riskinsurance@nebraska.gov)), if your agency does not own any vehicles.

The rate for liability coverage for FY24-25 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 FY24-25 is \$2.316 per \$100 of valuation with a \$1,000 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 covers 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, 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 FY24-25 is \$0.1226 per \$100 of valuation with a \$5,000 deductible per occurrence.

**PLEASE NOTE: 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.<sup>1</sup>**

Risk Management has a contract with the Nebraska Intergovernmental Risk Management Association ("NIRMA") to serve as a third-party administrator for all claims involving state property. When there is loss or damage to State property, NIRMA MUST be contacted to investigate, determine damage and pay the associated costs for such damage. NIRMA may be contacted at 402-742-9220 or [john@nirma.info](mailto: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.

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

Sincerely,



Adam Kauffman, Risk Manager

---

<sup>1</sup> There is an exception for the Nebraska Military Department for those buildings that are partially federally funded.

