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## **UCLA Procedure 300.5: Transit Insurance, Securing Coverage and Reporting Claims**

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Issuing Officer: Associate Vice Chancellor, Business & Financial Services  
Responsible Dept: Office of Insurance & Risk Management  
Effective Date: July 1, 1998  
Supersedes: UCLA Procedure 130.6, dated 5/1/79

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### **I. REFERENCES**

### **II. DESCRIPTION OF COVERAGE**

### **III. PROCEDURES**

#### **I. REFERENCES**

1. UCLA Policy 300, University Insurance Risk Management;
2. UC Business and Finance Bulletin BUS-28, Property Self-Insurance Program;
3. Current University insurance policies: Marine Cargo and miscellaneous insurance policies.

#### **II. DESCRIPTION OF COVERAGE**

The Provisions, or the BUS-28 Coverage C Program, shall apply to goods in transit valued *over* \$100,000 per shipment, household moves, and foreign shipments, except as noted below.

Coverage is applied on the basis of three types of shipments as follows:

##### **A. Domestic Shipments over \$100,000 per Shipment**

All-Risk coverage can be provided under this program for shipment of goods valued over \$100,000 per shipment via any common (commercial) transit carrier (for shipments under \$100,000 per shipment, see Coverage A). Coverage for shipments valued in excess of \$100,000 must have prior approval from the Office of Risk Management, Office of the President. Approved coverage will also extend to shipment of goods from a campus's Central Receiving Department to the point of final destination via University owned or operated vehicles, provided that (1) double-handling is appropriate and is of operational necessity; and (2) an appropriate vehicle is used, i.e., goods requiring specially equipped air-cushioned ride vans for the initial delivery are not subsequently shipped on non-air-cushioned ride vehicles. When shipment of equipment is involved, every effort should be made to arrange for direct delivery to the point of final destination.

##### **B. Shipments of Employee Household Goods**

The Program provides protection against all risks (except wear and tear; gradual deterioration; insects; vermin; inherent vice; damage sustained from any repairing, restoration, or retouching process; war; and nuclear hazards) for movement of personal household goods including shipping of automobiles. Coverage may be obtained by approval from the Office of Insurance & Risk Management, Office of the President. Coverage applies to shipments via any common (commercial) transit carrier.

##### **C. Foreign Shipments**

The University maintains a marine open cargo insurance policy which covers marine and air shipment including ground transportation and final destination in approved export packing to Alaska, Hawaii, U.S. territories such as the U.S. Virgin Islands and Puerto Rico and foreign countries. The marine open cargo policy provides coverage on an all-risk basis, subject to

customary all-risk exclusions. Valuation of goods shipped is declared prior to the departure of the carrier and, for insurance purposes, consists of the value of the goods plus freight costs, plus ten percent to cover miscellaneous costs. Policy limits are \$1,000,000 for any one shipment.

**D. Deductibles**

1. Domestic shipments over \$100,000 and household moves: No deductible shall apply if Coverage C is in excess of carrier’s payment of loss. If University’s coverage is primary, then a \$250 deductible applies.
2. Foreign Shipments:
  - \$250 each shipments
  - \$500 shipment of vehicles

**E. Transit Not Covered**

The Bus-28, Coverage C program described in this bulletin does not apply to the following:

1. Shipments of fine arts on and off campus when location coverage for such property is requested on the fine arts report.
2. Movement by the U.S. Postal Service if wholly within the continental United States (including Alaska) and Canada.

**F. Rates**

The rate for domestic shipments over \$100,000 and domestic household moves is \$0.15 per \$100 of value. The rate for foreign shipments is \$0.15 per \$100 of value plus surplus lines taxes and fees.

**III. PROCEDURES**

**A. Securing Coverage**

1. Domestic Shipments

RESPONSIBILITY	ACTION
Department/Campus Official	Submits requests for coverage for all domestic shipments of goods valued over \$100,000 per shipment and household moves to the Office of Insurance and Risk Management (OIRM) at least ten working days prior to the effective date of the shipment.
OIRM	Secures approval from Office of Risk Management, Office of the President.

2. Foreign Shipments

- Foreign shipments under \$1,000,000 are covered at the time of shipment or at the time of order when declared on the Quarterly Foreign Transit Insurance Report, which can be obtained from the Campus Risk Manager.
- Foreign shipments over \$100,000 require special coverage and approval:

RESPONSIBILITY	ACTION
Department/Campus Official	Submits requests for coverage for all foreign shipments of goods valued over \$100,000 per shipment to the Office of Insurance and Risk Management (OIRM) no less than fifteen working days prior to the effective date of the shipment.
OIRM	Secures approval from Office of Risk Management, Office of the President.

### **B. Submitting Claims**

RESPONSIBILITY	ACTION
Deans, Directors, Department Chairpersons, and Other Administrative Officers	Give notice within 24 hours of loss involving property (including money and securities) to the Campus Police and Risk Management Departments. Follow procedures as outlined in BUS-28.
Campus Risk Manager	<p>Upon receipt of a loss report and with the Department reviews and documents loss, certifies that coverage was in place at time of loss or damage under BUS-28, and approves claim payments up to \$10,000 (in excess of the deductible). Claim payments in excess of \$10,000 are approved by the Office of Risk Management, Office of the President.</p> <p>If the loss or damage is eligible for funding, forwards documentation to the Office of Risk Management, Office of the President:</p> <ul style="list-style-type: none"> <li>• Property/Casualty Loss Report Form,</li> <li>• Police report, if applicable,</li> <li>• Fire report (Fire Department), if applicable,</li> <li>• Environmental Health and Safety Report, if applicable,</li> <li>• Itemized breakdown of replacement or repair cost, and</li> <li>• Other supporting documentation</li> </ul>
Office of Risk Management, Office of the President	Once proof of loss has been established, funds loss in excess of applicable deductible from budgetary sources available within the Office of the President.

**Issuing Officer**

**/s/ Sam J. Morabito**

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**Associate Vice Chancellor, Business & Financial Services**

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**Questions concerning this policy or procedure should be referred to the Responsible Department listed at the top of this document.**

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