

# State Purchasing Statewide Insurance Program

# Agenda

- How the State Insures its interests
- DFS Risk Management Trust Fund
- DMS State Purchasing Insurance Program
- State Purchasing Current Policy Overview
- How to work with State Purchasing

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- How the State Insures its interests
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- Working with State Purchasing

# How the State of Florida insures:

## How FL. Insures

Risk Mgmt. Trust Fund

State Purchasing Pgm.

Current Policy Overview

Working with SP

- DFS, Division of Risk Management manages the State Risk Management Trust Fund as provided by Chapter 284, Florida Statutes, and any rules promulgated thereunder.
- DMS, Division of State Purchasing administers the insurance coverage program for all state agencies in accordance with subsection 287.022(1), Florida Statutes; state universities are eligible to participate in the insurance coverage program.
- DMS, Division of State Group Insurance offers and manages a comprehensive package of health and welfare insurance benefits for active and retired state employees and their eligible dependents as provided by sections 110.123, 110.161, and 112.08, Florida Statutes, and Florida Administrative Code, Rule 60P.

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# DFS, Division of Risk Management:

How FL. Insures

**Risk Mgmt. Trust Fund**

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Current Policy Overview

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- The DFS, Division of Risk Management manages the State Risk Management Trust Fund as provided by Chapter 284, Part II, Section 768.28, Florida Statutes, and any rules promulgated thereunder.
- As determined by DFS, all State agencies and the 12 State Universities pay into the Fund annually for coverage.
- Coverage is capped at \$200,000 / \$300,000 limits for state court actions.
- Risk Management Trust Certificates are issued to all insured for:
  - Property, DFS-DO-852
  - General Liability (GL-xxxx)
  - State Employee Workers' Compensation and Employer's Liability (WC-xxxx)
  - Fleet Automobile Liability (AL-xxxx)
  - Court Awarded Attorney Fees (CA-xxxx)
  - Federal Civil Rights Liability and Employment Discrimination (FC-xxxx)
- DFS Property Coverage is limited and has significant coverage exclusions as provided in section A.2 and section C of the DFS-DO-852.

# DFS, Risk Management Property Certificate, DFS-D0-852

How FL. Insures

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Current Policy Overview

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## A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

### 1. Covered Property

Covered Property means the following types of property for which a Limit of Insurance is shown in the Declarations:

a. **Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Permanently installed:
  - (a) Fixtures;
  - (b) Machinery; and
  - (c) Equipment;
- (3) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:

- (a) Fire extinguishing equipment;

- (b) Outdoor furniture;
- (c) Floor coverings; and
- (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

### (4) If not covered by other insurance:

- (a) Additions, alterations and repairs to the building or structure;
- (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. **Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your agency;
- (5) Your improvements and betterments as a tenant. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove.

*DFS-D0-852  
Revised 11/05  
Rule 69H-1.003*

# DFS, Risk Management Property Certificate, DFS-D0-852

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## 2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes or securities; lottery tickets held for sale are not securities;
- b. Animals;
- c. Bridges, roadways, walks, patios or other paved surfaces;
- d. The cost of excavations, grading, backfilling or filling;
- e. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement;
- f. Land (including land on which the property is located), water, growing crops, lawns and plants;
- g. Business personal property while airborne or waterborne;
- h. Personal property not owned by the State of Florida;
- i. Pilings, piers, wharves or docks;
- j. Property that is covered under another policy, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- k. Retaining walls that are not part of the building.

DFS-D0-852  
Revised 11/05  
Rule 69H-1.003

- l. Underground pipes, flues, drains, or electrical and communication wiring;
- m. The cost to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media;
- n. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises;
- o. Grain, hay, straw or other crops;
- p. Fences, including attached devices, unattached radio or television antennas, including their lead-in wiring, masts or towers (except for towers insured separately as a stand alone structure), signs (other than signs attached to buildings), trees, shrubs or plants, stand alone light poles/fixtures all except as provided in the Coverage Extensions.
- q. Fine arts, manuscripts, nitrocellulose films, museum collections, artifacts, relics, bullion;
- r. Surplus property  
Business Personal Property declared surplus property but stored on the premises are deemed to have no value for the purpose of making claim under this certificate.
- s. Buildings that have been abandoned or selected for removal from the premises or selected for demolition.



# DFS, Risk Management Property Certificate, DFS-D0-852

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## B. COVERED CAUSES OF LOSS

1. Fire.

2. Lightning,

3. 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 or damage by:

a. Rupture, bursting or operation of pressure relief devices; or

b. Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water; or

c. Any loss which would normally be covered only under a standard boiler and machinery policy.

# DFS, Risk Management Property Certificate, DFS-D0-852

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## C. EXCLUSIONS

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

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## g. Water

(1) Water that backs up from a sewer, drain, or sump

(2) Water under the ground surface pressing on, or flowing or seeping through:

(a) Foundations, walls, floors or paved surfaces;

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings.

But if loss or damage by fire or explosion results, we will pay for that resulting loss or damage.

(3) Water damage meaning accidental discharge or leaking of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

2. We will not pay for loss or damage caused by or resulting from:

a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires. But if loss or damage by fire results, we will pay for that resulting loss or damage.

b. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if loss or damage by fire or combustion explosion results, we will pay for that resulting loss or damage.

c. Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

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# DMS, Division of State Purchasing: Insurance Program

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- Subsection 287.022(1), Florida Statutes, provides “Insurance, while not a commodity, nevertheless shall be purchased for all agencies by the department, ....pursuant to paragraph 287.057(3)(a), Florida Statutes.....”
- State Purchasing operates the Florida Insurance Program, which is responsible for the purchase and management of insurance for executive branch agencies, at their own choosing and based upon funding allocations.
- The purpose and goal of the SP Insurance Program is to provide coverage at the best rates possible for Florida state agencies.
- Paragraph 287.042(2)(a), Florida Statutes, authorizes the Department “to establish purchasing agreements and procure state term contracts for commodities and contractual services, pursuant to section 287.057, **under which state agencies shall, and eligible users may**, make purchases pursuant to s. 287.056.”
- ***Eligible users are limited to state universities, as described by Section 1000.21(6), Florida Statutes.***

# DMS, Division of State Purchasing: Insurance Program

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- The Contractor or Underwriter will have 30 days from receipt of the Department's request to add a new Named Insured to the State Policy and receipt of all applicable previous and current coverage information to accept or reject a new Named Insured to the State policy.
- The Division of State Purchasing Insurance Program is responsible for the procurement, renewal, and day to day management activities of 22 different insurance policies.
- 13 policies are GROUP policies.
- Group policies are defined as insurance provided to a group under a master contract in the name of the "State of Florida". Group insurance yields lower costs than individual policies written for each member of the group.
- State Purchasing provides this insurance at NO ADDITIONAL COST to the eligible participants, thereby saving the cost of administrative, account management, and other services usually paid to a Broker for these same services.
- The SP Insurance covers a combined insured value of an estimated \$191.5 billion which includes over \$41.5 Billion in real property throughout the State.
- During the 17-18 Fiscal Year, insured agencies and state universities paid \$17,145,685 in premiums for coverages provided by State Purchasing.

# State Purchasing

## Current Policies in Effect

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State Purchasing Pgm.

**Current Policy Overview**

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- State Purchasing currently has 13 group policies in effect:
  - Accident & Sickness (CAMP)
  - Accidental Death & Dismemberment
  - Aviation Hull and Liability
  - Commercial Auto (Comp & Collision)
  - Contractors Equipment
  - Crime (Fidelity)
  - Electronic Data Processing Equipment
  - Equipment Breakdown (B&M)
  - Fine Art, Indoor and Outdoor
  - Miscellaneous Property
  - Ocean Marine Hull, P&I
  - Ocean Marine Cargo
  - Unmanned Aerial Vehicles (UAV)

# State Purchasing

## Current Policies in Effect

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**Current Policy Overview**

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### **ACCIDENT & SICKNESS (CAMP)**

- **When:** Annual Expiry 3/15
- **What:** Provides accident and sickness (sports and non-sports) benefits for sponsored and supervised activities of camps and schools operated by approximately 15 Named Insured state agencies and universities throughout Florida. Coverage included over 40,000 participating in over 300 camps annually.
- **Authority:** Risk not covered by Trust Fund; purchase per 287.022(1)

### **ACCIDENTAL DEATH AND DISMEMBERMENT STATUTORY DEATH BENEFITS**

- **When:** Annual Expiry 11/30
- **What:** All state law enforcement, correctional and probation officers as well as firefighters for 27 Named Insured state agencies and universities.
- **Authority:** All benefits shall be paid in accordance with sections 112.18, 112.181, 112.19, 112.191, 250.34, 321.24, and any other appropriate provisions of the Florida Statutes.

# State Purchasing

## Current Policies in Effect

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### **AVIATION HULL AND LIABILITY**

- **When:** Annual Expiry 9/28
- **What:** Hull and Liability coverage on 52 state agency aircraft with an approximate value of \$10M
- **Authority:** TF Property exempt A.2.n.; purchase per 287.022(1)

### **COMMERCIAL AUTOMOBILE (COMP & COLLISION)**

- **When:** Annual Expiry 10/20
- **What:** Insures over 200 vehicles totaling over \$4.6M of physical assets for comprehensive and collision coverage for state owned and leased vehicles.
- **Authority:** Trust Fund exempts collision for owned vehicles; Leased vehicles are not eligible for coverage by the Trust Fund



# State Purchasing

## Current Policies in Effect

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### **CONTRACTORS EQUIPMENT**

- **When:** Annual Expiry 7/1
- **What:** Provides coverage for approximately \$16M of mobile machinery, mobile equipment, construction vehicles and heavy machinery.
- **Authority:** Trust Fund Property 100 ft. Limitation A.1.a.(4)(b); purchase per 287.022(1)

### **CRIME (EMPLOYEE FIDELITY)**

- **When:** Annual Expiry 1/1
- **What:** Provides coverage for acts of employee dishonesty (theft); as well as acts by third parties at insured locations.
- **Authority:** TF Property exempt A.2.a.; purchase per 287.022(1)

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### **ELECTRONIC DATA PROCESSING EQUIPMENT**

- **When:** Annual Expiry 6/5
- **What:** Insures owned and leased electronic data processing and Scientific and medical equipment.
- **Authority:** Fills TF Property Exemptions for owned, and exemption A.2.h.; purchase per 287.022(1)

### **EQUIPMENT BREAKDOWN (BOILER & MACHINERY)**

- **When:** Annual Expiry 10/1
- **What:** Provides coverage for specified locations for failure of a pressure device or vacuum equipment; mechanical failures including rupture or busting caused by centrifugal force; or electrical failure including arcing. Equipment which, during normal usage, operates under vacuum or pressure, and equipment that generates, transmits, control or utilizes energy.
- **Authority:** TF Property exempt C.2.a.-c.; purchase per 287.022(1)

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## Current Policies in Effect

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### **FINE ART, INDOOR AND OUTDOOR**

- **When:** Annual Expiry 12/31
- **What:** This policy insures indoor and outdoor artwork against physical loss or physical damage during the period of insurance while on exhibition, in transit, and or in incidental storage. This coverage shall extend to fine arts on loan to, or owned by the Named Insured including but not limited to: museum collections, murals, stained glass, sculptures, gallery exhibits, and paintings.
- **Authority:** TF Property exempt A.2.q.; purchase per 287.022(1);

### **MISCELLANEOUS PROPERTY**

- **When:** Annual Expiry 8/8
- **What:** Provides coverage for miscellaneous items like theatrical equipment; skeletal remains, valued books as well as owned or leased Radio and Television equipment with Insurer's approval; and other unique items not eligible for coverage by SP existing policies.
- **Authority:** TF Property exempt A.2.p.; purchase per 287.022(1)

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# State Purchasing

## Current Policies in Effect

### **OCEAN MARINE HULL, PROTECTION AND INDEMNITY**

- When: Annual Expiry 7/2
- What: This policy insures marine hulls and/or crew coverage on 47 vessels with an approximate total insured value of \$15M annually.
- Authority: TF Property exempt A.2.n.; purchase per 287.022(1);

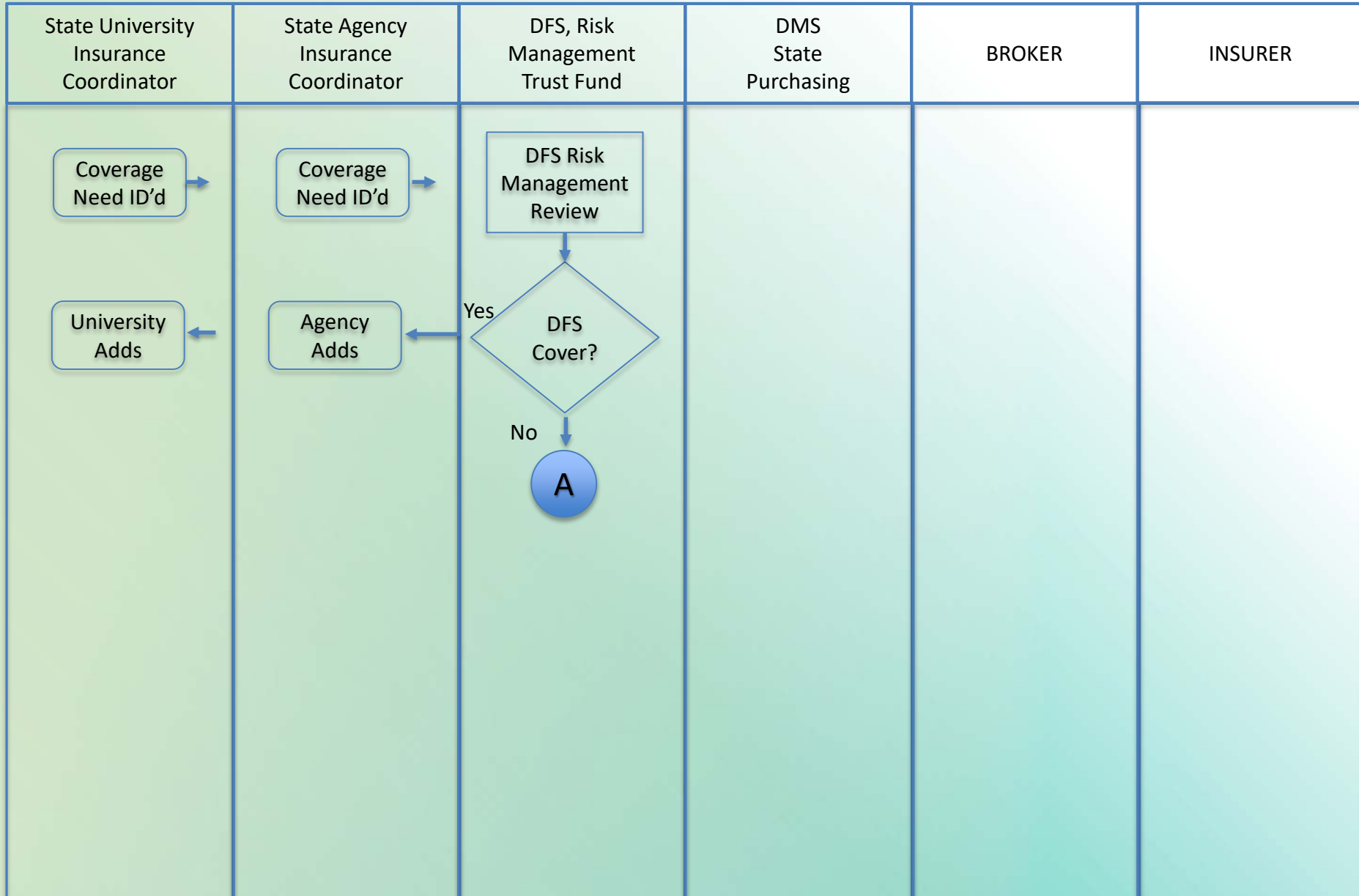
### **OCEAN MARINE OPEN CARGO**

- When: Annual Expiry 7/2
- What: Provides coverage for property insured under other SP policies to ship domestically and overseas for research studies.
- Authority: TF Property exempt A.2.n.; purchase per 287.022(1)

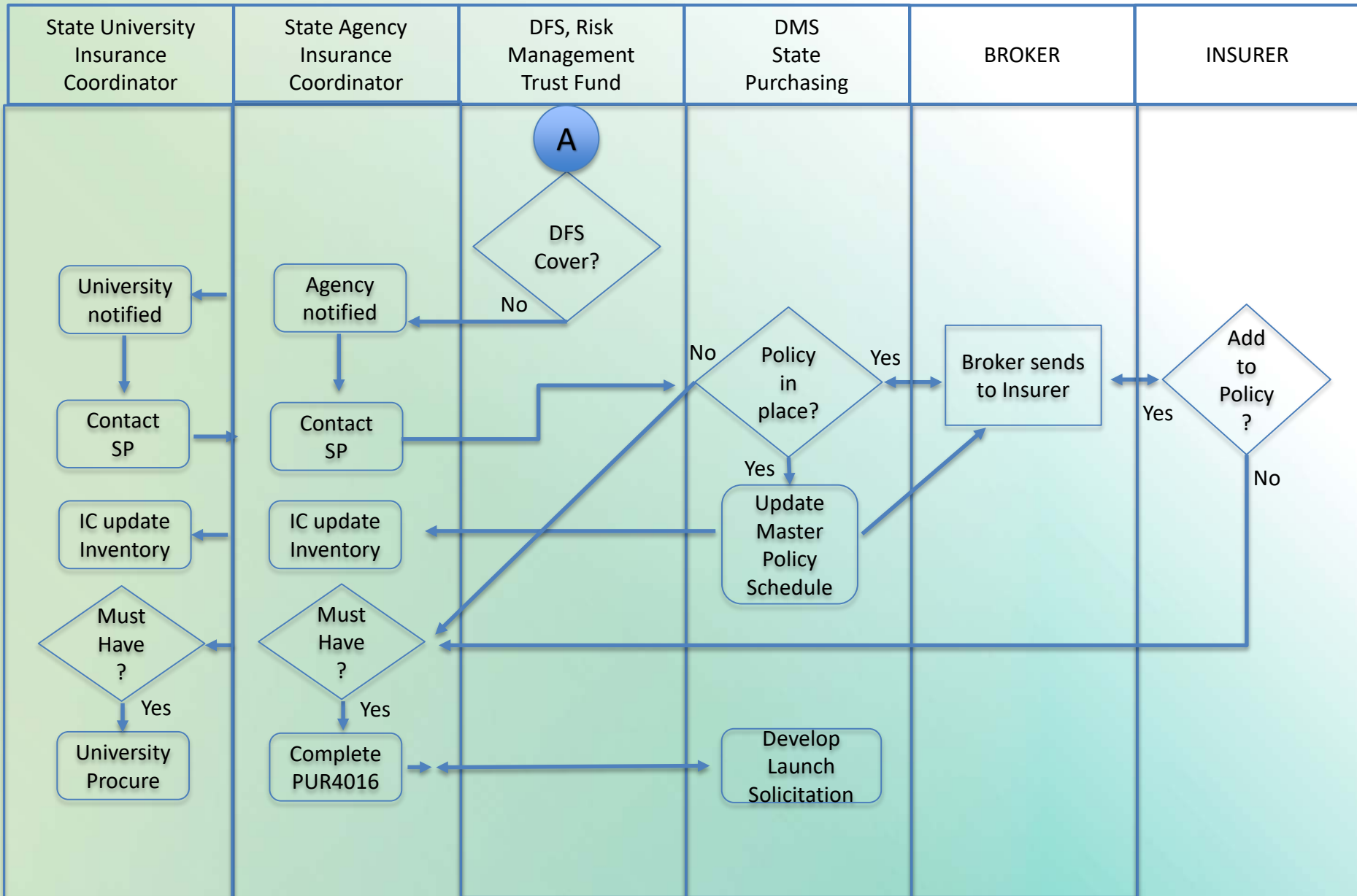
### **UNMANNED AERIAL VEHICLES (UAV)**

- When: Annual Expiry 9/28
- What: Hull and Liability coverage on unmanned aerial vehicles, aka DRONES
- Authority: TF Property exempt A.2.n.; purchase per 287.022(1)

# Working with State Purchasing



# Working with State Purchasing



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- All eligible entities have a designated insurance coordinator to communicate to State purchasing their coverage needs.
- The entities insurance coordinator(s) should contact State Purchasing for assistance on all SP insurance policies.
- Rule 60A-1.015(1), Insurance (01/29/2017) - (1) Agencies shall request the Department to procure insurance by submitting Form PUR4016 (12/16), “Agency Request for Procurement of Insurance,” effective September 2016...”
- State Purchasing is the sole point of contact with our Brokers for any insurance policy procured.
- No Agency or University should contact the Broker directly regarding SP insurance coverage, unless authorized by State Purchasing, except for the settlement of claims.
- No Agency or University should ever contact the Insurer / Underwriter.
- Universities DO have the option of purchasing insurance coverage directly on the private market.

# SP Contact Information

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Primary Contact: Jill Soderberg  
DMS Statewide Insurance Program Manager  
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Associate Category Manager

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Resources: An overview of the State Purchasing Insurance Coverage Program's available group policies can be found at the following link.

[https://www.dms.myflorida.com/business\\_operations/state\\_purchasing/insurance\\_coverage\\_program](https://www.dms.myflorida.com/business_operations/state_purchasing/insurance_coverage_program)