
Insurance Deductible and Additional Cost-Recharge Policy

Facilities Management Policy

1 Purpose

The purpose of this policy is to ensure that insurance deductibles are correctly accounted for and attributed to the School or Central Service Unit (CSU) causing, or significantly contributing to, the cost of insurance within the University. The policy will also ensure that additional costs incurred due to poor risk management are borne by the School or CSU giving rise to the cost, and will provide an incentive to implement good risk management practices to reduce the probability and severity of insurance claims.

2 Organisational Scope

This is a University-wide policy. The policy also applies to other entities insured under Victoria University of Wellington insurance policies.

3 Definitions

For purposes of this policy, unless otherwise stated, the following definitions shall apply:

Deductible: The amount of an insurance claim charged to the insured party, usually the first part of the loss up to a value determined by the insurance policy. Also known as an excess.

4 Policy Content and Guidelines

- (a) Deductibles under the Victoria University insurance policies will be fully borne by the School, CSU or entity within which the loss occurs. See Appendix 6.2 for indicative deductibles for each policy.
- (b) Schools, CSU's and other entities may not arrange insurance of the deductible as this negates the purpose of the deductibles under the University's insurance policies managed by Facilities Management
- (c) Where external parties cause losses the School, CSU or entity should recover the deductible from the other party. These may be covered by the third party's insurance policies and such parties should have, and produce evidence of public liability insurance to the value of \$1 million. Victoria University has additional insurance should such third parties have no cover or insufficient cover. In particular, the [Carriage of Goods Act 1979](#) provides that if there is no special arrangement or contract, the carrier is liable for damage or loss up to a limit of \$1,500 for each unit of goods when transported. Schools, CSUs or entities should put in place special arrangements or contracts to ensure that suppliers and/or their carriers have sufficient cover for the transportation of goods exceeding the value of \$1,500, at least up to the applicable deductible amount.

- (d) In particular the [Carriage of Goods Act 1979](#) provides that if there is no special arrangement or contract, the carrier is liable for damage or loss up to a limit of \$1,500 for each unit of goods when transported. Schools, CSUs or entities should put in place special arrangements or contracts to ensure that suppliers and/or their carriers have sufficient cover for the transportation of goods exceeding the value of \$1,500, at least up to the applicable deductible amount.
- (e) Damage to or destruction of equipment belonging to Teaching Aids will be charged against the School or CSU to whom the equipment has been lent at the time of the loss, except if there is a prima facie case to be made that the loss was beyond the control of the School or CSU in which instance the deductible will be charged to Teaching Aids. Losses through fire and in some instances burglary may be deemed to be beyond the control of the School or CSU.
- (f) Additional costs may also be incurred such as fire service call outs for false alarms. If such additional costs are caused by the actions of a School or CSU, then the department concerned will be charged with the cost. These will be discussed with the department prior to the charge being levied.
- (g) Losses that may be recovered from staff are limited to those that are incurred in circumstances in which the staff member concerned:
- (i) acted, , contrary to the law; or
 - (ii) was in breach of their terms and conditions of employment.

5 Legislative Compliance

The University is required to manage its policy documentation within a legislative framework. The legislation directing this policy is the:

[Carriage of Goods Act 1979](#)

6 References

Previous Version:

[archived InsuranceDeductibleandAdditonalCostRechargePolicy_20090805.pdf](#)

7 Appendices

Appendix A: [Indicative Deductibles](#)

8 Approval Agency

Vice Chancellor

9 Approval Dates

This policy was originally approved on: 9 September 2003

This version was approved on: 6 August 2009

This version takes effect from: 6 August 2009

This policy will be reviewed by: 6 August 2012

10 Policy Sponsor

Director, Facilities Management

11 Contact Person

The following person may be approached on a routine basis in relation to this policy:

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