Procedure for the Management of Damage or Loss of Property

Version 1.0 – 17 October 2012

TRIM file number
Short description
A procedure on actions to be taken when mounting a response to damaged University property in excess of $10,000 that occurs due to any cause and the process of making insurance claims.

Relevant to
All employees

Approved by
This Procedure has been approved by Deputy Vice-Chancellor (Administration) in accordance with the Policy on Delegations and Authorisations - Delegation Schedule 1, GOV10.

Responsible officer
Manager, Campus Services

Responsible office
Division of Facilities Management

Date introduced
October 2012

Next scheduled review date
October 2014

Related University documents
Emergency Control Organisation Policy
Critical Incident Management Handbook
Site Emergency Procedures

Related documentation

Key words
Incident, Guidelines, Nominated Insurance Loss Adjustor, Insurer
1. PURPOSE

1.1 It is preferable to avoid loss of or damage to University property and to achieve this as far as possible, the University adheres to AS/NZS ISO 31000-2009 Risk Management – Principles and Guidelines.

1.2 Loss of or damage to University property where the amount involved is less than $10,000 is generally, but not invariably, subject to an internal $2,000 excess and will be negotiated directly between the Business Unit responsible for the equipment or structure involved and the Division of Finance. It is not the province of this Procedure to address such loss or damage.

1.3 This Procedure describes how to manage, recover and report on a response to a natural event or non-critical incident that involves loss of or damage to University property where the amount involved is estimated to be more than $10,000 and/or which is reasonably complex, e.g. involves repair or replacement by two or more trades. This Procedure also outlines the actions required to manage insurance notification and claims pertaining to such loss of or damage to property in accordance with University guidelines.

2. SCOPE

2.1 This Procedure applies to all staff, in particular Business Unit Supervisors/Managers and Budget Centre Managers.

3. PROCESS

3.1 Initial Response

Upon becoming aware of loss or damage to University property it is the responsibility of the staff member to bring that damage to the attention of the Division of Facilities Management (DFM). In all cases this notification can be initiated through contacting campus Security.

Security shall take appropriate action to implement the campus response and/or the Critical Incident procedure dependent upon the severity of the incident. Security shall also at an appropriate time complete a Security Incident report.

In circumstances where the damage requires escalation of a response, Security shall refer this through DFM Senior Management or if it is significant via the Chief Warden and the Critical Incident process.

The DFM service centre will be made aware of the incident and be briefed on their role in the response and recovery process via DFM Senior Management.

3.2 Appointing an Incident Controller

Generally the Manager, Campus Services, Division of Facilities Management will assume control of the initial response until the incident has been stabilised.
Shortly after the scene has been stabilised, management heads of those divisions affected by the damage will make a joint decision on the appropriate group to take control of the recovery phase and from this controlling group the Incident Controller will be nominated. This decision shall be based on which department would normally be responsible for the majority of the recovery effort including who is best placed to control the safety of the site; manage the containment of the scene and manage the complexity of the recovery process i.e. damaged computer infrastructure would be Division of Information Technology, damaged building infrastructure would be DFM, damaged library collection would be Library Services, etc.

3.3 Police Notification

If the loss or damage is suspected of being caused by an illegal activity the Police shall be notified as soon as possible after the discovery of the event. The initial Police notification can be initiated by staff, students or visitors.

The person making the report to the Police shall ask the Police to provide an ‘incident number’ which shall be recorded by the person making the report.

As soon as practical after the Police have been notified, the CSU campus security staff shall be notified of the event and that the Police have been notified. Security shall also be provided with the Police ‘incident number’. (see Clause 3.1)

When appointed the Incident Controller shall assume central responsibility for contacting and coordination with the Police.

3.4 Appointing Stakeholder Incident Coordinators

As soon as practicable each of the responding departments and affected stakeholders shall appoint an Incident Coordinator who will act as the representative for their respective group. The role of the Incident Coordinator is to be the single point of contact with the Incident Controller and represent their respective group in the conversation, decision making, communication and resource coordination associated with the incident.

3.5 Insurance Notification

As soon as possible after the incident has been contained and the site has been made safe, it is the responsibility of the Incident Controller to ensure that the University’s nominated Insurance Loss Adjustor is informed of the incident (refer to Appendix 1 for current Loss Adjustor detail).

In the early stages of responding to an event it can be difficult to ascertain the full monetary value of the damage. It is the responsibility of the Incident Controller to notify the nominated Insurance Loss Adjustor of the ‘potential’ for the property damage to exceed $10,000. Nominated Insurance Loss Adjustors contact details are detailed in Appendix 2.
The University and our insurers have jointly appointed a nominated Loss Adjustor with respect to both ‘Property’, e.g. fire, storm, water, burglary and/or theft, freezer breakdown, etc., and ‘General & Products Liability’ claims. A copy of the Rules pertaining to their engagement is attached at Appendix 1.

Damage in excess of $10,000 or more may be recoverable through the University’s insurance. Damage under $10,000 will need to be borne by the Business Unit responsible for the equipment or structure, refer to Clause 1.2.

As soon as practicable the Incident Controller shall ensure the Division of Finance Insurance Officer is notified of the possible claim. See Appendix 1 for contact details.

Each Incident Coordinator is responsible for determining or estimating the financial impact of the incident and the Incident Controller shall consolidate this information into a central register. This information shall include; a description of the damaged item, approximate cost to rectify the damage, relevant org/account codes, model, serial number, year of manufacture, etc. photographic evidence is recommended.

After all damage has been costed the Incident Controller will forward the completed register and all invoices associated with the works to the Division of Finance, Insurance Officer for processing.

Once the nominated Insurance Loss Adjustor has been engaged, it is imperative that no action be taken or expense incurred until the relevant action or expense has been cleared with the nominated Loss Adjustor.

### 3.6 Replacement of Computers and AV Equipment

Arranging the replacement of damaged office equipment, computers and AV equipment is the responsibility of the affected Business Unit in conjunction with the nominated Insurance Loss Adjustor.

CSU insurance provides for the cost of reinstatement or replacement of the item or items concerned although, in claiming, the payout figure of the old lease will need to be taken into account. Other AV equipment not supplied by DIT will need to be sourced or repaired by the Business Unit. All replacement or repair costs are to be recorded on the Incident Controller’s register (refer 3.4).

Replacement computers and other devices are to be purchased or leased in accordance with University policy relating to Division of Information Technology (DIT) computer shop. The Business Unit shall negotiate the finalisation of existing equipment leases and creation of new leases for the replacement equipment.

### 3.7 Division of Finance Responsibility

The Division of Finance shall ensure the vigorous pursuit for recoupment of costs from the Insurer to minimise the financial impact on the University and its operations.
Consistent with the requirement that the Incident Controller and the nominated Insurance Loss Adjustor work together in handling the claim, Finance shall manage the interface between the University and the Insurer to ensure assistance and guidance is provided to the relevant department or students so that the recoupment process is made as easy as possible.

3.8 Division of Facilities Management Responsibility

DFM has the responsibility to obtain the agreement of the nominated Insurance Loss Adjustor to repair, replace or make safe any affected building structure or building element and once such agreement has been obtained, to carry out and/or co-ordinate the work involved. This includes engagement of expert advice in relationship to structural or plant damage and to then provide the outcome of those reports to the relevant stakeholders.

3.9 Division of Information Technology Responsibility

DIT has the responsibility to repair, replace or make safe any affected data and communication infrastructure in conjunction with the nominated Insurance Loss Adjustor. This includes inspection and testing of wiring and related equipment integrity and to then provide the outcome of those reports to the relevant stakeholders.

3.10 Business Continuity and Replacing Damaged Equipment

It is the responsibility of the affected Business Unit to ensure the resumption of normal operations and activities and to work collaboratively with the other major stakeholders to ensure operational downtime is contained to a minimum. This includes meeting all initial costs associated with the repair or replacement of damaged equipment or property. As these costs may be recoverable under CSU insurance the nominated Insurance Loss Adjustor needs to be kept informed of same (refer 3.4).

APPENDICES (or ATTACHMENTS)

1. Cunningham Lindsey – Insurer/Client Rules of Engagement
2. Cunningham Lindsey – Contact List – May 2011
Table of amendments

<table>
<thead>
<tr>
<th>Version number</th>
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INSURER/CLIENT RULES

INSURER NAME:  Unimutual Limited
CLIENT NAME:    Charles Sturt University
CLA BRANCH:     Sydney
EFFECTIVE DATE: 1 November 2005 (updated January 2010)
PREPARED BY:   Stuart Crofton

Relationship Manager:
Gary Pahl, Canberra office,
Telephone (02) 6256 4500
Mobile 0410 220 688
Email: gary.pahl@cl-au.com

New Claim Instructions:
CSU’s ISR insurance is through Unimutual Limited with a $50K property deductible (except for property in transit, where the retention is $1K) and includes an aggregate cap of $75K for claim costs between $10K and $50K after which the retention reduces to $10K. CSU’s General and Products Liability insurance is also through Unimutual Limited subject to a $5K deductible except for claims for sexual and/or child molestation or assault where the deductible is $20K.

CLA have been requested by CSU to oversee the management of their ISR claims below the deductible. ISR claims over the deductible and all General and Products Liability claims will be managed with Unimutual in accordance with rules already in place for commercial property and liability claims.

First advice on General and Products Liability claims will generally come from Unimutual whose Claims Director is Mr Jamie Thomson, Direct Line 02 9250 2807, email Jamie@unimutual.com.au, PO Box H96, Australia Square NSW 1215.

Service Standards - Time Based:
- First Contact Insured ....................... 24 hrs
- Site Visit .......................................... 2 days or when convenient with Insured
- First Report ................................. 5 days
- Progress Reports ............................. 20 days
- Reply to phone calls ...................... 24 hrs
- Reply to correspondence .......... 3 days
Contacts at CSU:

Insurance Officer
Division of Finance (Insurance, Taxation and Compliance)
Charles Sturt University
Boorooma Street
Wagga Wagga NSW 2650
Tel: +61 2 69332794
Email: insurance@csu.edu.au

Names and contact data pertaining to CSU’s Facilities Management staff will be advised to CLA.

CLA Authority:

CLA do not have authority for acceptance of claims.

Our role is to assess ISR claims below the $50K deductible on behalf of the University and to adjust ISR claims above the $50K deductible and all General and Products Liability claims on behalf of both the University and Unimutual Limited. Coordination of claims will be via the CLA’s Canberra Office.

CSU has premises throughout NSW - see www.csu.edu.au/contacts for details.

Communicating with CSU and the Insurer – including Reporting:

On ISR claims below the applicable deductible we report directly to the Insurance Officer – email: insurance@csu.edu.au.

For ISR claims above the applicable deductible and for all General and Products Liability claims, we report to Unimutual.

CLA will report all ISR losses likely to exceed $50K deductible and all General and Products Liability claims irrespective of amount to Unimutual on behalf of CSU.

Fees

The fees negotiated with the University as follows:-

We charge the following:

- Claims below the deductible (paid by the University):
  - Adjuster Hourly Rate ........................................ $100.00
  - Secretarial Hourly Rate ................................. $41.00
  - Rate for km (outside 50 km radius from CLA office)……………….. $1.00/km

- Other expenses……………..at cost
- All rates are GST exclusive

Specialist adjuster at an hourly rate to be negotiated with CSU.

Fees for ISR claims above the $50K deductible and General and Products Liability claims are at the Unimutual agreed rate.
Cunningham Lindsey Australia Pty Ltd
Contacts May 2011

After hours Claims are to be notified to Gary Pahl
Mobile 0410 220688.
Mr Pahl is located in Canberra, he will either attend
himself or co-ordinate CLA’s local service as
appropriate.

Sydney
156 Pacific Hwy
Greenwich NSW 2065
(02) 9934 5000
Email: stuart.crofton@cl-au.com

Albury
83 High St
Wodonga NSW 3690
(02) 6056 2311
Email: jason.field@cl-au.com

Canberra
Suite7/ 2-10 Oatley Court
Belconnen ACT 2617
(02) 6256 4500
Gary Mob: 0410 220 688
Email: gary.pahl@cl-au.com

Dubbo
81 Jubilee St
Dubbo NSW 2830
(02) 6885 1550
Email: Grahame.Broadbent@cl-au.com

Bathurst/Orange
155 Dalton St
Orange NSW 2800
(02) 6362 8588
Email: craig.mcleod @cl-au.com

Wagga Wagga
176 Baylis St
Wagga Wagga NSW 2650
(02) 6921 4333
Email: helen.morton@cl-au.com