

# REVENUE BOND - AUXILIARY OPERATIONS, NEBRASKA STATE COLLEGES

**POLICY: 9030 Revenue Bond; Insurance; Property,  
General Liability**

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## **BOARD POLICY**

### **Fire and Extended Coverage**

Insurance to cover loss by fire, vandalism, damage from storms or other hazards, will be carried on revenue bond buildings, contents, and movable equipment housed therein. Policies with standard extended coverage endorsements shall be obtained by appropriate bidding procedures from responsible insurers and carried in amounts sufficient to provide for the greater of the full insurable value thereof, as determined from time to time by the insurer, or the estimated replacement costs as determined by the Board. A deductible of five hundred dollars (\$500) will be allowed for Chadron State and Peru State; the deductible for Wayne State will be one thousand dollars (\$1,000). If insurance coverage obtained is less than the full insurable value of the facilities, or the deductible allowed is higher than the figures stated, the institutions shall provide self-insurance for the difference.

### **Use and Occupancy**

The colleges shall also obtain use and occupancy insurance and business interruption insurance in an amount sufficient to enable the Board to deposit in the Bond Fund, out of the proceeds of such insurance, an amount equal to the sum that would normally have been available for deposit in such Fund from the revenues of the damaged building during the time the damaged building is non-revenue producing.

### **Builder's Risk**

Any revenue bond building or facility under construction or major renovation shall be insured by the contractor under a Builder's Risk Policy in the amount equal to contract for the project. Such policy shall run until Final Completion Status has been given to the project by the Board of Trustees.

The proceeds of the foregoing insurance policies shall be payable to the Board and all monies collected on account of loss or damage covered by the policies shall be held in trust by the Board. Upon occurrence of any damage covered by insurance, the Board shall use the proceeds of the insurance to 1) promptly restore the properties so destroyed or damaged; 2) erect and equip, or substitute, in place of the building damaged or destroyed, other facilities which produce revenues and fees comparable to those produced by the damaged or destroyed facility. If the facility destroyed or damaged was, at the time of the destruction, unserviceable, inadequate, obsolete or unfit to be used or no longer required for use in connection with the security and payment on the bonds, the Board may apply the proceeds to purchase property which shall be a part of the revenue bond facilities or may deposit the proceeds into the Surplus Funds.

### **Comprehensive General Liability**

The college shall require public liability insurance, commonly known as "Comprehensive General Liability", be maintained and delivered to the college before any external party or private person's use, occupancy or possession of college premises or facilities. Such insurance shall provide for coverage set at reasonably negotiable limits for injury or death, occurring to any person or persons as a result of an accident, and such insurance shall name both the Board and college, and the external entity as insureds.

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Except for claims arising out of acts caused by the affirmative negligence of the college or its agents or employees, the college shall require the external party using college facilities to further indemnify, defend and hold harmless the Board and college, at its expense, from and against all claims for personal injuries and death, or loss, expenses, damages, or liabilities arising from any act or negligence of the external party or its agents, employees, licensees or invitees.

Before the use of campus facilities commences and before the external party's use, occupancy or possession of college premises, whichever is sooner, the external party shall obtain such insurance from a company reasonably acceptable to the college and deliver to the college a certificate evidencing issuance of such policy, together with evidence of payment of premiums.