

## **Title 4**

### **ADMINISTRATION**

#### **Part V. Policy and Procedure Memoranda**

#### **Chapter 5. Property Insurance Claims Recover FundsCPPM Number 10**

##### **§501. Purpose**

A. It is the purpose and intent of this memorandum to establish procedures in handling reimbursement for losses, including automobile physical damages losses, incurred under property insurance policies.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:7 and R.S. 39:1527, et seq.

HISTORICAL NOTE: Written by the Office of the Governor, Division of Administration, October 1, 1996, promulgated LR 1:82 (February 1975), amended LR 14:293, (May 1988).

##### **§503. Funds for Property Claims**

A. Funds for all property claims payable to state agencies under property policies, commercially insured or self-insured by the Office of Risk Management, shall be held in the Self-Insurance Fund by the Office of Risk Management, Division of Administration, until the damaged property or equipment has been repaired, reconstructed, or replaced.

B. Agency and state purchasing procedures and policies shall be followed, and invoices submitted to the Office of Risk Management for payment to vendors. In the event an agency has paid for a covered loss, the Office of Risk Management shall reimburse the agency for its payments where paid invoices can be produced, and any agency receiving payments from the Office of Risk Management shall receive such as reimbursement of expenses or available income. Payment by Risk Management to agencies for purposes other than reimbursement of expenses or available income may be made upon an approved BA-7. Should the estimate of repairs or replacement represented on an executed Proof of Loss exceed the actual costs incurred, the excess shall remain with the Self-Insurance Fund within the Department of Treasury and shall not be reflected in the actual loss experience of the affected agency.

C. Commercial and self-insurance fund loss recoveries from policies purchased by the state shall be payable to the state treasury if payment is not otherwise made pursuant to other provisions of this Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:7 and R.S. 39:1527, et seq.

HISTORICAL NOTE: Written by the Office of the Governor, Division of Administration, October 1, 1966, promulgated LR 1:82 (February 1975), amended LR 14:293 (May 1988).

##### **§505. Repair or Replacement of Property**

A. Except for state-owned vehicles provided for in Paragraph B, infra, if repair or replacement of damaged, destroyed, or stolen state-owned property, to include buildings and improvements, boiler and machinery equipment, contents, inventories (including mobile equipment and excluding licensed vehicles), and marine hulls 26 feet and under, is not commenced within 36 months of the loss date, or if a Proof of Loss is not submitted within 36 months of the date of loss, the claim file will be closed. No liability will remain to the insurance fund, and the loss will not be charged to the loss experience of the affected agency.

B. If repair or replacement of damaged, destroyed, or stolen state-owned vehicles is not completed within 18 months of the loss date, or if a Proof of Loss is not submitted within 18 months of the date of loss, the claim file will be closed. No liability will remain to the insurance fund, and the loss will not be charged to the loss experience of the affected agency.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:7 and R.S. 39:1527, et seq.

HISTORICAL NOTE: Written by the Office of the Governor, Division of Administration, October 1, 1966, promulgated LR 1:82 (February 1975), amended LR 14:294 (May 1988).