



THE UNIVERSITY OF TEXAS SYSTEM  
OFFICE OF THE COMPTROLLER  
AUSTIN, TEXAS 78712

*File this in fact  
history  
RUS  
3/10/70*

July 1, 1969

Mr. Ralph N. Stohl, Vice-President  
Southwest Center for Advanced Studies  
P. O. Box 30365  
Dallas, Texas 75230

Dear Mr. Stohl:

I have reviewed the schedule of insurance coverage which you provided on my recent visit to the SCAS campus. This schedule was furnished to you by the Rufus Caldwell Insurance Agency, and purported to be all general insurance in effect as of April 3, 1969. My comments which follow are keyed to the codes in the right hand margin of Cost Summary page, attached, taken from the above schedule. These comments indicate suggested disposition of the various policies as of the date of transfer of physical properties from SCAS to the Board of Regents of The University of Texas System insofar as those properties, or the hazards effecting those properties or the transferring personnel, are concerned.

1. Cancel. Coverage as U. T. System component will be under the System's Workmen's Compensation Insurance plan for items I and IA, and under the System-wide policies for Fire and Extended Coverage, Boiler and Machinery, and Money and Securities, for items V, VIII, and XII.
2. Although policies of these types have not heretofore been carried by the Board of Regents, new legislation (specifically H.B. 203, effective immediately, and H.B. 456, effective January 1, 1970) may result in the necessity for the domestic liability portion of such coverage in the future for U. T. components. Since the final decision in this matter has not yet been made, and since the return premium for the Comprehensive Liability and Auto Fleet policy for the period to be cancelled would not be substantial, you may find it desirable to retain these policies, properly endorsed to reflect the insured as being The Board of Regents of The University of Texas System.

*cc Elliston for comment 7/8  
Fallis for info*

In the case of item IIA, Comprehensive General-Automobile Liability-Foreign, and item III, Non-owned Aircraft Liability, any future renewals will depend on whether or not such policies are required by and premiums are payable from research contract funds.

3. Cancel. These types of coverage are not now carried under existing Board of Regents' policy. However, you may desire to leave such policies in effect for the period covered by currently prepaid premiums, if return premium will not be substantial, or if coverage is required by contractual agreements and premiums paid from contract funds. In such cases, policies should be properly endorsed.
4. Cancel. On University-owned property insured under items VII, IX and XI, if these policies were to remain in effect, duplicate coverage would result for fire and extended coverage, and the System-wide policy coverage should prevail. It might be desirable from the new institution's viewpoint to continue portions of these policies for periods covered by prepaid premiums, if policies are properly endorsed. See comments under "5" below as to Floater policies covering property of others or off-premises coverage of owned property. We need to discuss these policies if they remain in effect in part.
5. Property of others (such as Fine Art items indicated in item X) may be insured if required by lender and if premiums are paid from other than funds in the State Treasury. Likewise, in a limited number of cases, all-risk policies covering University properties of relatively high value and propensity for loss while off-premises (carried on trips by faculty members, etc.) have been permitted. These require justification for deviation from our general policy of self-insurance.
6. The Tax Free Alcohol Bond will need to be transferred to U. T. Dallas. Board of Regents' action will be necessary to designate the custodian of the tax free alcohol. No action will be required on notary bonds, but on renewal these should be paid from funds other than in State Treasury.

July 1, 1969

As a matter of information, each component institution is billed for its pro rata share of the premiums for the System-wide policies. The University of Texas at Dallas will be automatically insured under these policies as of September 1, 1969, with premiums (payable from State funds) to be billed for the following periods for the policies indicated:

9/24/69 - 9/24/71	Fire and Extended Coverage
9/1/69 - 1/1/72	Boiler and Machinery
9/1/69 - 4/15/70	Fidelity Bond, Money and Securities

The 1969-70 operating budget for U. T. Dallas should provide for the above premiums, in the aggregate amount of approximately \$4300.00.

Attached is a brief description of the three System-wide policies listed above. We will require some specific information, prior to September 1, 1969, to implement the automatic coverage and permit the carriers to properly bill you. As a first step, representatives of the Hartford Steam Boiler Inspection and Insurance Company will probably visit your campus soon to inspect and secure descriptions of boilers and other objects to be covered under that company's policy.

Please feel free to call on me in the event you or your staff have any questions in regard to this matter.

Sincerely yours,



R. L. Anderson  
Comptroller

RLA:mw

cc: Mr. E. D. Walker  
Mr. Graves W. Landrum

THE UNIVERSITY OF TEXAS SYSTEM

Brief Description of System-wide Insurance Policies

Fire and Extended Coverage Policy

Policy No. 1-20-84-16, Period 9/24/68 - 9/24/71  
St. Paul Fire and Marine Insurance Company,  
covering Buildings and Personal Property at any  
location in Texas, including manuscripts, books,  
etc., at replacement cost new value, subject to  
\$100,000 deductible for each loss occurrence.  
The Board of Regents has established a reserve  
for the \$100,000 deductible, but has also adopted  
a policy that any losses up to \$100,000 may be  
payable from component institution or other funds  
rather than the reserve. (The source of funds  
constituting the reserve is not available for use  
at all institutions.)

Composite premium rate for 3 year period - \$.058

Boiler and Machinery Policy

Policy No. 73-5601, period 1/1/69 - 1/1/72  
Hartford Steam Boiler Inspection and Insurance Company  
Covering Boilers, condensers for steam Turbines, and  
Steam or Gas Turbines having a capacity of 200 hp or  
more. Premium is based in part on location and is  
subject to discount permitted by premium gradation  
plans. (Motors, air-conditioning systems, etc. are  
not covered)

Comprehensive Dishonesty, Disappearance and Destruction Policy

Policy No. CDB 1328699 - 4/15/67 - 4/15/70  
The Travelers Indemnity Company  
Fidelity Bond and Money and Securities Coverage

Insuring Agreement I - Employee Dishonesty, \$25,000  
Blanket coverage, all employees, with excess  
coverage permitted.

Insuring Agreement II - Loss Inside the Premises,  
\$100,000.

Insuring Agreement III - Loss Outside the Premises,  
\$50,000.

Each insuring agreement subject to \$100 deductible, with  
premium based on exposure at each location.