

OFFICE OF THE STATE TREASURER

STATE INSURANCE PROGRAMS

Agency Claims

When a unit of State government seeks reimbursement from the State Insurance Trust Fund for an occurrence of loss, damage, or liability, the unit shall file its claim with the Treasurer within 60 days after the unit discovers the loss, damage, or liability. COMAR 25.02.06.01A

Property Insured

1. The State Insurance Trust Fund covers the State's interest in and will pay for direct physical loss of, or damage to, all real and personal property:
 - a. Owned by the State;
 - b. In which the State has an insurable interest;
 - c. Improvements and betterments, meaning your use-interest in fixtures, alterations, or installations:
 - (1) made a part of the building or structure you occupy but do not own; and
 - (2) you acquired or made at your expense but cannot legally remove;
2. Property for which the State may be liable at law or under contract;
3. Debris removal expenses will be paid to remove debris of State property, caused by or resulting from a covered cause of loss.

Property Not Covered

1. Land (including land on which covered property is located), water, trees, shrubs, plants, or growing crops;
2. All buildings and structures, and additions to existing buildings and structures, during the course of construction, including supplies and materials;
3. Accounts, bills, currency, deeds, evidence of debt, money, notes or securities.

Other Insurance

If there is other insurance coverage on the State property, the State Insurance Trust Fund will pay only for the amount of the covered loss or damage not covered by that other insurance.

Coverage

State property, not insured under a commercial insurance policy, is covered under the State Insurance Trust Fund for risks of direct physical loss or damage, except those causes of loss listed in the Exclusions.

Exclusions

1. The State Insurance Trust Fund will not pay for loss or damage caused by or resulting from any of the following:
 - a. Delay, loss of use, loss of market, indirect or consequential loss.
 - b. Dishonest or criminal acts by any State employee, acting alone or in collusion with others, whether or not occurring during the hours of employment.
 - c. Theft or unexplained disappearance of personal property or shortage found upon taking inventory or audit.
 - d. Rain, snow, ice or sleet to personal property in the open.
 - e. Voluntary parting with any property by a State employee if induced to do so by any fraudulent scheme, trick, device or false pretense.
 - f. Inadequate packing, improper preparation for shipment, or insecure stowage of property in, or on a State vehicle, or vehicle loaned, rented or leased to the State.

2. The State Insurance Trust Fund will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a covered cause of loss results, we will pay for that resulting loss or damage.
 - a. Wear and tear.
 - b. Rust, corrosion, mold, fungus, decay, deterioration, hidden or latent defect, or any quality in the property that causes it to damage or destroy itself.
 - c. Settling, cracking, shrinking or expansion of pavements, foundations, walls, floors or ceilings.
 - d. Insects, birds, rodents, or other animals.
 - e. Mechanical breakdown, including rupture or bursting caused by centrifugal or reciprocating force.
 - f. Artificially generated electric current, including electric arcing, that injures or disturbs electrical devices, appliances or wires.

- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1) Every effort is made to maintain heat in the building or structure, or
 - (2) The equipment is drained, and the water supply is shut off, if the heat is not maintained.
 - h. Marring or scratching of personal property.
 - i. Acts or decisions, including failure to act or decide, of any person, group organization or other governmental body.
 - j. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting.
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction.
 - (3) Materials used in repair, construction, renovation or remodeling.
 - (4) Maintenance.
 - k. Water that backs up from a sewer or drain, or water under the ground surface pressing on, or flowing or seeping through:
 - (1) Foundations, walls, floors or paved surfaces.
 - (2) Basements, whether paved or not.
 - (3) Doors, windows or other openings.
3. The State Insurance Trust Fund will not pay for loss or damage caused directly, or indirectly, by any of the following. Such loss or damage is excluded, regardless of any other cause or event that contributes concurrently, or in any sequence to the loss.
- a. Mine subsidence, but if loss or damage by fire or explosion results, the State Insurance Trust Fund will pay for that resulting loss or damage.
 - b. Power Failure

The failure of power or other utility service supplied to the premises, however caused, if the failure occurs away from the premises. But if loss or damage by a covered cause of loss results, we will pay for that resulting loss or damage.

- c. Ordinance or law – The enforcement of any ordinance or law.
 - (1) Regulating the construction, use or repair of any property.
 - (2) Requiring the tearing down of any property, including the cost of removing its debris.
 - d. Governmental Action – Seizure or destruction of property by order of governmental authority. But the State Insurance Trust Fund will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would normally be covered.
 - e. Nuclear Hazard – Nuclear reaction or radiation or radioactive contamination, however caused.
 - f. War and Military Action.
 - (1) War, including undeclared or civil war.
 - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents.
 - (3) Insurrection, rebellion, revolution, usurped power, strikes, riots, civil commotion or unrest, or labor disturbances, or action taken by governmental authority in hindering or defending against any of these.
 - (4) Any act of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes, and whether the loss or damage resulting therefrom is accidental or intentional.
 - (5) Hijacking or any unlawful seizure or wrongful control of an aircraft or crew in flight, including any attempt at such seizure or control, made by any person or persons on board the aircraft, acting without the consent State.
4. The State Insurance Trust Fund will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration , release or escape of pollutants.
- a. Involving property while in transit, or

- b. On the premises of State property, unless the discharge, dispersal, seepage, migration, release or escape is itself caused by fire, lightning, explosion, windstorm or hail, smoke, aircraft or vehicles, riot or civil commotion, vandalism, leakage from fire extinguishing equipment, sinkhole collapse, falling objects, weight of snow, ice or sleet, or water damage. But if loss or damage by any of the above specified causes of loss results, the State Insurance Trust Fund will pay for that resulting loss or damage.