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**Subject:** Deductible increase communication  
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***The following correspondence is being sent on behalf of Ben Evans in the Risk Management Department:***

The Office of Risk Management & Insurance is announcing changes to the deductible policies for both automobile insurance and property insurance. New deductible rates will be effective July 1, 2024. More information about each policy is detailed below. This change accounts for rising insurance costs over the past decade and aligns with similar adjustments at peer institutions.

Please distribute this information as appropriate. Any questions can be directed to Ben Evans, Associate Vice President for Risk Management & Insurance, at [benevans@upenn.edu](mailto:benevans@upenn.edu).

### **Automobile Insurance**

Effective July 1, 2024, all claims submitted to the Office of Risk Management and Insurance under the University of Pennsylvania's automobile insurance policy will be subject to a deductible of \$5,000 per loss. Previously, such claims were subject to a \$1,000 deductible. This includes all losses involving physical damage to vehicles owned, leased, or rented by the University, as well as third-party automobile damage or bodily injury. This deductible charge will only apply to claims with a loss date on or after July 1, 2024. Please see [University Financial Policy 2607](#) for additional details.

The \$5,000 deductible will apply when a University-owned/leased/rented vehicle sustains physical damage or when a third-party vehicle experiences physical damage and/or bodily injury results. The deductible only applies if the University is determined liable upon investigation. Liability is determined via police reports, witness statements, and services of licensed auto adjusters. \$5,000 is the maximum deductible for any one incident. All auto claims will still be managed by the Office of Risk Management and Insurance and reported immediately, even if the total loss is under the deductible.

The internal deductible for automobile liability losses was last updated in 2014.

### **Property Insurance**

Effective July 1, 2024, all property claims submitted to the Office of Risk Management will be subject to a \$10,000 deductible per loss. Previously, such claims were subject to a \$5,000 deductible. This deductible will apply only to claims with a date of event on or after July 1, 2024. Please see [University Financial Policy 2606](#) for additional details.

The new deductible applies to claims for theft of Penn owned property, as well as damaged property that requires repair or replacement. In the event Penn property, including that on loan to a department, is damaged as a result of a facility-related event such as a pipe leak, fire, or electrical disruption, the \$10,000 deductible will apply to both individual departmental losses and any facility related losses. Each department should discuss their losses with either the building administrator or area manager in the event of such an occurrence. The maximum deductible for any one loss will be \$10,000.

The internal deductible for property losses was last updated in 2008.

