Number: 2026-08
Date: May 2026

Reference:	Title:
Lincoln Municipal Code	Property Self-Insurance Policy

I. PURPOSE

A. The purpose of this policy is to establish a formal framework for the City of Lincoln's self-insured property program.

B. This policy outlines the responsibilities of Department and Risk Management for scheduling property, reporting losses, documenting damage, reviewing claims, and administering reimbursement for Insured Losses.

C. This policy is intended to promote consistency, accountability, timely reporting, and appropriate stewardship of City assets.

II. DEFINITIONS

A. **Actual cash value (ACV)**: The value of property at the time of loss, taking depreciation into account.

B. **City**: the City of Lincoln, Nebraska.

C. **Department**: The City Department responsible for the care, custody, use, or control of City-owned or leased property.

D. **Fleet Schedule**: The official record maintained by Risk Management identifying licensed vehicles, transit fleet, and equipment.

E. **Insured Loss:** Includes accidental, direct physical loss to PROPERTY INSURED, does not include PROPERTY EXCLUDED, and not caused by any EXCLUSIONS listed in this policy.

F. **Property Schedule**: The official record maintained by Risk Management identifying real and personal/business property or contents included within the City's property insurance and self-insurance program.

G. **Replacement cost value (RCV)**: The amount required to repair, rebuild, or replace damaged property or assets with materials of like kind and quality at current market prices, without deduction for depreciation.

H. **Risk Management**: The Risk Management Division of the Human Resources Department for the City of Lincoln responsible for administration of the City's self-insured property program.

I. **Self-Insured Retention (SIR):** The amount the organization retains and pays for covered losses before any excess insurance applies.

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III. PROPERTY INSURED

A. Real Property listed on the Property Schedule.

B. New buildings and additions while under construction in which the City has an insurable interest.

C. New buildings and additions for up to 90 days after construction is completed.

D. Personal and Business Property or Contents owned or leased by the City. This also includes property the City is legally liable for physical damage or loss.

E. Vehicles or equipment listed on the Fleet Schedule.

F. Vehicles or equipment for up to 90 days after vehicle or equipment is put into use by the City.

IV. PROPERTY EXCLUDED

A. Currency, money, notes or securities.

B. Precious metals in bullion form.

C. Land, water and trees.

D. Animals.

E. Signs, traffic signals, street lighting and wiring.

F. Aircraft including Unmanned Aircraft Systems (UAS) or drones.

G. Fine Arts scheduled on the Fine Arts Policy.

H. Personal property of employees.

V. EXCLUSIONS

A. Indirect damage.

B. Loss of use, loss of market, or interruption of business.

C. Loss from faulty workmanship, material, design, mechanical breakdown, wear, tear, deterioration, settling, cracking, shrinking, bulging, and/or expansion.

D. Mysterious disappearance, loss or shortage, or any unexplained loss.

E. Loss from any enforcement, law or ordinance.

F. Loss from any dishonest or fraudulent act, false pretense, cyber-attack, nuclear action, hostile or warlike actions, and/or terrorism.

G. Damage from animals, insects, or vermin.

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H. Losses due to contamination.

I. Losses due to ground water, floods or earthquakes.

J. Large-scale catastrophic weather events. Note this will be transferred to our Property Insurer.

VI. PROVISIONS

A. Risk Management maintains a self-insured property policy to reimburse Departments for Insured Losses to PROPERTY INSURED subject to the SIR, deductibles, EXCLUSIONS, and available funding.

B. Risk Management will administer and allocate the Budget for all insurance including self-insured property and Departments will be charged for their respective risk accordingly.

C. Risk Management is the custodian of the Property Schedule and Fleet Schedule. Departments must notify Risk Management within ninety (90) days of completion, acquisition, sale, lease, or material change involving City-owned or leased property, vehicles or equipment. For licensed vehicles and equipment, the 90 days extend to when the vehicle or equipment is able to be put into use.

D. On an annual basis, Risk Management will circulate the Property Schedule and Fleet Schedule to Departments for review. Departments must return additions, deletions, or revisions within thirty (30) days of receipt.

E. Risk Management will procure Property Insurance Policy with a SIR. All real and personal/business property losses will be limited to the amount of the SIR.

F. Risk Management will establish the applicable deductible for all self-insured losses.

G. The City fully self-insures for all collision damage to its licensed vehicles on the Fleet Schedule up to the value of the vehicle. Single vehicle non-collision damages to vehicles will be handled similarly.

H. Large-scale events such as catastrophic wind and hail are not covered by our Self-Insured Policy and will be deferred to our Property Insurer.

I. The Departments have a self-insured deductible of $3,000 and Risk Management incurs the cost up to the cost of the vehicle. Self-insured documents are included at the end of this summary.

J. There is no guarantee of payment for every reported loss. All reported losses will be reviewed to determine if they meet the definition of an Insured Loss.

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VII. PROCEDURES

A. In the event of loss or damage to PROPERTY INSURED, the Department must provide prompt written notice to Risk Management by submitting the Vehicle Accident Report or the Property Loss Report.

B. The Department must take reasonable steps to protect the property from further damage. If temporary repairs are needed, the department must make reasonable and necessary repairs and maintain accurate records of repair expenses.

C. The Department must cooperate with Risk Management in the review and investigation of the loss.

D. The Department should secure a detailed estimate of the damage claimed and submit photos of the damage.

E. If personal/business property is damaged, the Department must prepare an inventory showing the quantity, description, age, and amount of loss, with bills, receipts, photographs, or other supporting documentation available.

F. The Department must make damaged property, records, and relevant documents available to Risk Management as reasonably requested.

G. Risk Management will review the reported loss, determine whether it is an Insured Loss, determine valuation, apply deductible, and coordinate with any applicable insurer, broker, or other City office as needed.

H. Reimbursement for Insured Losses will be at RCV for all losses where the damages will be repaired or items replaced. Any property that will not be repaired or replaced and any total losses of vehicles and equipment which will be settled at ACV.

I. Approved reimbursement will be processed in accordance with City financial procedures.

The City reserves the exclusive right to interpret this policy.

Barb McIntyre
Barb McIntyre
Human Resources Director

7-1-2026
Date

Leirion Gaylor Baird
Leirion Gaylor Baird
Mayor

7-1-2026
Date