



PROPERTY INSURANCE PROTECTION PROGRAM (PIPP)  
EXAMPLES OF REIMBURSEMENT

Depreciation

The following chart shows the depreciated value of a piece of equipment originally costing \$40,000. The depreciation rate (20% per year) is the same regardless of the initial cost of the equipment

<i>Years after Purchase</i>	<i>Depreciation</i>	<i>PIPP "Value"</i>
Less than 1	0%	\$40,000
1, but less than 2	20%	\$32,000
2, but less than 3	40%	\$24,000
3, but less than 4	60%	\$16,000
4, but less than 5	80%	\$8,000
5 or more	100%	\$ 0

Total Loss – Except Computer Theft

The following examples show the reimbursement a department can expect from PIPP for the total loss of a piece of equipment:

*Initial Cost of Equipment = \$50,000*

<i>Years After Purchase When Loss Occurs</i>	<i>Depreciation</i>	<i>Depreciated Value</i>	<i>Deductible</i>	<i>Reimbursement from PIPP</i>
Less than 1	\$0	\$50,000	\$1,000	\$49,000
1, but less than 2	\$10,000	\$40,000	\$1,000	\$39,000
2, but less than 3	\$20,000	\$30,000	\$1,000	\$29,000
3, but less than 4	\$30,000	\$20,000	\$1,000	\$19,000
4, but less than 5	\$40,000	\$10,000	\$1,000	\$9,000
5 or more	\$50,000	\$ 0	N/A	\$0

*Initial Cost of Equipment = \$28,000*

<i>Years After Purchase When Loss Occurs</i>	<i>Depreciation</i>	<i>Depreciated Value</i>	<i>Deductible</i>	<i>Reimbursement from PIPP</i>
Less than 1	\$0	\$28,000	\$250	\$27,750
1, but less than 2	\$5,600	\$22,400	\$250	\$22,150
2, but less than 3	\$11,200	\$16,800	\$250	\$16,550
3, but less than 4	\$16,800	\$11,200	\$250	\$10,950
4, but less than 5	\$22,400	\$5,600	\$250	\$5,350
5 or more	\$28,000	\$ 0	N/A	\$0

**Total Loss – Computer Theft**

The following examples show the reimbursement a department can expect from PIPP for the theft of a laptop or desktop computer:

*Initial Cost of Computer = \$3,500, Security: Avdex System*

Years After Purchase When Theft Occurs	Depreciation	Depreciated Value	Deductible	Reimbursement from PIPP
Less than 1	\$0	\$3,500	\$0	\$3,500
1, but less than 2	\$700	\$2,800	\$0	\$2,800
2, but less than 3	\$1,400	\$2,100	\$0	\$2,100
3, but less than 4	\$2,100	\$1,400	\$0	\$1,400
4, but less than 5	\$2,800	\$700	\$0	\$700
5 or more	\$3,500	\$0	N/A	\$0

*Initial Cost of Computer = \$3,500, Security: Non-Avdex System*

Years After Purchase When Theft Occurs	Depreciation	Depreciated Value	Deductible	Reimbursement from PIPP
Less than 1	\$0	\$3,500	\$250	\$3,250
1, but less than 2	\$700	\$2,800	\$250	\$2,550
2, but less than 3	\$1,400	\$2,100	\$250	\$1,850
3, but less than 4	\$2,100	\$1,400	\$250	\$1,150
4, but less than 5	\$2,800	\$700	\$250	\$450
5 or more	\$3,500	\$0	N/A	\$0

*Initial Cost of Computer = \$3,500, Security: None, or theft away from WCMC premises*

Years After Purchase When Theft Occurs	Depreciation	Depreciated Value	Deductible	Reimbursement from PIPP
Less than 1	\$0	\$3,500	\$750	\$2,750
1, but less than 2	\$700	\$2,800	\$750	\$2,050
2, but less than 3	\$1,400	\$2,100	\$750	\$1,350
3, but less than 4	\$2,100	\$1,400	\$750	\$650
4, but less than 5	\$2,800	\$700	\$750	\$0
5 or more	\$3,500	\$0	N/A	\$0

**Partial Loss (Damage Repairable)**

For a loss in which the equipment can be repaired and returned to service, PIPP will pay the cost of the repairs, up to 75% of the value of the equipment or \$100,000, whichever is lower. Depreciation is not a factor, but the department will have to pay the applicable deductible. For repairs that cost less than \$50,000 the deductible is \$250. For repairs that cost \$50,000 or more the deductible is \$1,000.