

OSBHE FINANCIAL ADMINISTRATION STANDARD OPERATING MANUAL

This policy was developed prior to implementation of Banner FIS. Therefore, specific information related to the previous accounting system (FMS) is no longer relevant. This policy is made available on-line since certain general principles are still applicable. If you have questions, please contact the Controller's Division at (541) 737-3636 / cdwebmaster@ous.edu. Applicable sections of this policy will be transitioned to the new Fiscal Policy format as time and resources permit.

07.07 MOTOR VEHICLE LIABILITY INSURANCE (Last Revised 01/89)

A GENERAL

[1] Financial Responsibility

Oregon law prohibits operation of a motor vehicle registered in this State without motor vehicle liability insurance or other proof of financial responsibility by the owner or operator of the vehicle.

[2] State Vehicle Liability Coverage

Vehicle liability insurance coverage is provided by the State through a self-insurance program as part of the State Insurance Fund. Its purpose is to protect agencies, officers, employees and agents against damage or injury claims while operating a vehicle on official business. The coverage applies while operating a State owned, leased or controlled motor vehicle. State coverage supplements an employee's personal vehicle insurance and any other insurance on a leased or controlled vehicle. A controlled vehicle is one that is neither owned nor leased by a State agency, but is used by an employee or agent on official business. Use of any vehicle for other than official business is not covered.

[3] Certification of Liability Coverage

The Motor Vehicles Division has issued Certificate #24 to the State to cover all vehicles insured under the self-insurance program. Operators of State vehicles must place this certificate number on all reports of accidents involving the vehicles. (Ref. B.W. Teeter letter, Mandatory Vehicle Liability Insurance -- July 1, 1978, dated 5/31/78).

[4] Reference

Department of General Services Policy 125-7-201, Part B: Motor Vehicle Liability.

B COVERAGE

[1] Liability Coverage

The statutory limits on liability coverage for personal injury and property damage claims arising from a single accident or occurrence are:

- \$50,000 to any claimant for any number of claims for damage to or destruction of property, including consequential damages.
- \$200,000 to any claimant for all other claims.
- \$500,000 aggregate to all claimants for all claims.

[2] Uninsured Motorist Coverage

Uninsured motorist coverage is provided on all State-owned vehicles. The driver and passengers are covered when the other party is both negligent and uninsured. Coverage is provided for losses that are not covered by Worker's Compensation or any other insurance. Limits on

coverage are:

- \$25,000 to any claimant for bodily injury.
- \$50,000 aggregate to all claimants for bodily injury.

[3] Personal Injury Protection

The driver and passengers in a State owned, leased, or controlled vehicle being used for official State business are covered for personal injuries that are not covered by Worker's Compensation. The coverage limits are reduced by the amount any person is entitled to recover under the uninsured motorist coverage for the same accident. Coverage limits are:

- \$5,000 per person for medical expenses.
- \$1,000 per person for funeral expenses.
- If disabled 14 days or more, 70% of loss of income up to \$750 per month, or up to \$18 per day for a volunteer worker, for up to 52 weeks.

[4] Liability Coverage -- Private Vehicle

If an employee uses a private vehicle for official business, the employee's insurance policy is primary. The State indemnifies the employee for liability in excess of the policy limits. Maximum State liability is the limits stated in B[1]. No collision, comprehensive, medical uninsured motorist or personal injury protection coverage is provided.

C LEASED OR LOANED VEHICLE

[1] Insurance Fund Coverage

The State Insurance Fund covers officers, employees and agents while operating rented, leased or loaned vehicles in the course and scope of their employment. A written agreement between the vehicle owner and the Department of Higher Education should state the responsibilities of each. The Insurance Fund provides excess liability coverage for leased vehicles.

[2] Uninsured Motorist

Uninsured motorist coverage for rented or leased vehicles is provided only where the State has agreed in writing, before any loss has occurred, to provide such coverage.

[3] Exclusions

If the rented, leased or loaned vehicle is used outside the course and scope of employment, or by an individual who is not an officer, employee or agent, the Insurance Fund does not provide coverage.

D VOLUNTEER WORKER

The State Insurance Fund covers volunteer workers while performing in their official capacity on behalf of the Department of Higher Education. Prior authorization by the Program Administrator is required to use State vehicles.

E NON-EMPLOYEE

Students, spouses of employees and other non-employees whose travel is directly related to State business, may accompany State employees as passengers on business trips in State-owned, rented, leased or loaned vehicles. If a spouse or other non-employee operates the vehicle, there may be no Insurance Fund coverage even when the travel is business related.

[1] Non-Employee Driver -- Agent

If a non-employee operates the vehicle in the capacity of an agent of the State, the Insurance Fund provides coverage. For example, while operating the vehicle to perform a service in direct support of State business, the non-employee could be deemed an agent. Prior authorization by the Program Administrator is needed for a volunteer to use state vehicles. (See FASOM 07.07D Volunteer Worker.)

[2] Non-Employee Relief Driver

When a non-employee operates the vehicle simply to relieve the employee-driver of some driving, the Insurance Fund may not provide coverage. In such cases, it would depend on a determination of the principal-agent relationship.

[3] Non-Employee Driver -- Personal Convenience

In any case where a non-employee is operating the vehicle for personal convenience, or for any purpose that is not related to State business, the Insurance Fund does not provide coverage.

F ACCIDENT REPORT

[1] Report Required

All accidents are reported on Motor Vehicles Division form 735-32, Traffic Accident and Insurance Report. In addition to the reporting listed below, the employee may be required by law to report the accident to the Motor Vehicles Division on this form. For accidents involving State Motor Pool vehicles, a copy of the Motor Vehicles Division form 735-32 must be submitted to the assigning motor pool within 48 hours of an accident. (Reference Department of General Services policy manual, 125-4-608, Vehicle Accident Reporting.)

[2] Routing Reports

Form 734-32 should be prepared and signed by the driver, countersigned by his supervisor, and copies routed as follows:

3 copies to:

Claims Section
Risk Management Division
Department of General Services
1225 Ferry Street S.E.
Salem, OR 97310

1 copy to:

Chief Counsel, Higher Education
Department of Justice
540 Citizen's Building
975 Oak Street
Eugene, OR 97401

G PREMIUMS

The Department of General Services annually assesses agencies for funds to cover motor vehicle liability claims.