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I. Purpose

The purpose of this statement is to provide guidance on insurance for University-owned self-propelled motor vehicles as well as motor vehicles rented and leased for official University business.

A. Applicable Motor Vehicle Rules and Requirements

North Carolina General Statutes, (GS 58-194.1), requires all state- owned motorized vehicles to be insured for liability coverage.

1. Official Use Only

University-owned vehicles are to be driven only by authorized University employees within the scope of their jobs for official University business and as outlined within the Motor Fleet Management Guidelines. Exceptions to this rule are Federal employees as stated below.

Authorized Person - An authorized employee is the employee who has permission from the dean, director or department head to drive a University-owned vehicle to carry out the official business of the University within the scope of the employee's job and within Motor Fleet Management guidelines. Guidelines published in the Motor Fleet Management Handbook issued January 1994, state that state-owned vehicles are to be driven only by state employees and used only for official state business. All vehicles that are "owned" by the University are state-owned vehicles.

For the purposes of this rule, a state employee is any individual working for the State of North Carolina who receives a state check for wages or salary. Persons not employed by the state may accompany state employees who are driving state-owned vehicles when they have an interest in the purpose of the trip and their presence is related to state business.

Students may be passengers in cars to attend activities officially sanctioned by the University. However, students, visiting staff and faculty with or without

appointments, adjunct and emeritus professors, volunteers and other people not employed by the state are not allowed to drive state-owned vehicles.

Federal employees working with the University, such as USDA, USDI, USAF, and USN must make requests for Federal vehicles from the local Federal Motor Pool. If a Federal vehicle is not immediately available, then a Federal employee contracted to do state business may be allowed to drive a state vehicle until a Federal Motor Pool vehicle is available.

2. Accidents Caused By Others

An accident report must be filed with Insurance and Risk Management on all auto accidents involving state-owned vehicles which are caused by persons not employed by the State driving privately owned vehicles. The NC State department involved in the accident may work with the other driver's insurance company to recover property damages and/or medical expenses, or the department may request assistance through Insurance and Risk Management to settle the claim. Requests for assistance should be made in writing providing Insurance and Risk Management with the police report and other necessary information on the other driver.

3. Use of Personal Vehicle for University Business

If an accident occurs while a personal vehicle is being used for official University business, the employee's auto liability coverage is considered the primary coverage. If necessary, the State's coverage may supplement the employee's personal policy as excess coverage.

4. Use of Personal Vehicles by Authorized Volunteers

If an accident occurs while the personal vehicle of an authorized volunteer is being used for official University business, the volunteer's liability coverage is considered the primary coverage. If the volunteer is found to be an authorized agent of the State on official University business, the State's coverage may also be applicable.

5. Vehicle Liability Coverage Outside of the United States

Employees traveling by motor vehicle outside the United States should check with Insurance and Risk Management regarding vehicle liability insurance requirements, i.e. Canada, Mexico and Europe.

6. Comprehensive and Collision Insurance for University-Owned Vehicles

If comprehensive and/or collision insurance is desired for University-owned vehicles, departments must contact Insurance and Risk Management. This coverage is procured separately; the department requesting the coverage is responsible for the premium payment.

Except in cases where collision and/or comprehensive coverage is purchased by individual departments at NC State, departmental budgets must bear the cost of repairing or replacing University-owned vehicles damaged or lost in accidents where the University employee is "at fault" or "no fault" is established.

7. Two University-Owned Vehicles Involved In An Accident

If a departmental vehicle damages or is damaged by another state-owned vehicle, Travelers coverage does not apply unless specific collision coverage has been procured. Departments must work out repair or replacement costs with the other department or agency.

Liability Insurance for Rental Cars Used for Official University Business - University travelers renting a vehicle from an automobile rental company are normally covered by the primary insurance procured by the rental company for that purpose. University travelers should verify that liability insurance does cover the rental vehicle through the rental car company. If a liability claim exceeds the limits of coverage by the rental company or if there is no liability coverage provided by the rental car company, the State's coverage may be applicable.

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9. Collision and Comprehensive Insurance for Rental Cars

Normally, the rental car company's insurance provides collision and/or comprehensive coverage for the rental car. Because rental car contracts vary from company to company, travelers are encouraged to ask the rental company for enough information to clearly understand the terms of the rental contract, especially those which relate to insurance.

In many instances, travelers are given the option of accepting a "Collision Damage Waiver" (CDW) for which they would pay a daily fee, usually ranging from \$12 to \$25 per day. State policy does not allow reimbursement of expenses such as "CDW" or similar items with one exception for foreign countries which is explained on the next page. Instead, the State has procured comprehensive and collision coverage for commercial vehicles rented by employees for less than thirty (30) days in conjunction with the conduct of official University business.

Coverage is provided in the United States, its possessions and Canada. There is no coverage in other foreign countries. There is one exception to the rule on the purchase of the "CDW." Because the Travelers' coverage does not extend to most foreign countries, the State Budget Office does allow reimbursement on the cost

of the "CDW" when employees are conducting official University business in the foreign countries not covered by the policy.

REMEMBER: Comprehensive and collision insurance coverage is provided free of charge for rentals/leases in the United States, its possessions and territories and Canada for up to thirty days. If you anticipate renting a vehicle for 30 days or more, or rent a vehicle valued over \$25,000 even for one day, you must contact Insurance and Risk Management for special instructions on comprehensive and collision insurance. Under some circumstances, coverage for these vehicles may involve a premium that will be charged to the employee's department. Any Collision Damage Waiver (CDW) insurance or Physical Damage Waiver (PDW) insurance purchased through the rental agency within the United States, its territories or possessions and Canada IS NOT reimbursed by the University.

10. Titles and Vehicle Registration

- a. Departments must forward all vehicle titles to Insurance and Risk Management for safe keeping while the vehicle is owned by the University.
- b. When an untitled new or used self-propelled vehicle is purchased, departments must complete Form IRM-05, Vehicle Inventory Addition.
- c. When self-propelled vehicles are disposed of or transferred, departments must complete Form IRM-06, Vehicle Transfer and disposition Form.
- d. When self-propelled vehicles are badly damaged and not drivable, vehicles **MUST BE SURPLUSED**. Departments cannot simply discard, throw away, or junk any self-propelled vehicles.

11. Motor Vehicle Accident Reporting

- a. All motor vehicle accidents involving University-owned vehicles and rental cars used for official university business must be reported to the police, NC State Insurance and Risk Management, and the rental car agency no matter how small the cost of damage or who is at fault.
- b. Accidents must be reported to the police and rental car agency immediately and reported to Insurance and Risk Management by noon of the following workday. If the accident occurs on a weekend or holiday, report the accident to Insurance and Risk Management by noon on the following workday. If the accident occurred off campus, the department whose employee was involved in the accident is responsible for furnishing Insurance and Risk Management with a copy of the police report.
- c. An accident reporting kit must be kept in each University-owned vehicle and all drivers should be informed of this. The reporting kits have been developed by Travelers Insurance Company, who administers the blanket state insurance policy.