

## MEMORANDUM

**TO:** Agency Motor Vehicle Coordinators  
*Please distribute to everyone who drives on state business*

**FROM:** Shannon M. Anderson, State Risk Manager

**CC:** Carlos Castillo, Administrative Services Director  
Steve Sulek, AS Transportation Services Bureau Administrator

**RE:** State of Nebraska Motor Vehicle Policy-Fiscal Year 2010-2011

**DATE:** Sept 10, 2010

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### **I. STATE OF NEBRASKA-MOTOR VEHICLE INSURANCE**

#### **A. POLICY INFORMATION**

**Insurance Company:** Princeton Excess & Surplus Lines Insurance Company and  
Princeton Excess Lines Insurance Company

**Policy Number:** 61-A3-EX-0000006-06

**Policy Term:** July 1, 2010 to June 30, 2011

**Named Insured:** The State of Nebraska (including all Authorities, Boards, Commissions,  
Departments, Divisions, and any other activities under the supervision or control  
of the insured except for the University System)

**Claims Administrator:** NRMA

CenterStone Building  
100 North 12<sup>th</sup> Street, Suite 200  
PO Box 85210  
Lincoln, NE 68501-5210  
Phone: (800) 642-6671 or (402) 742-9220  
Fax (402) 742-9220  
[pete@nirma.info](mailto:pete@nirma.info) or [John@nirma.info](mailto:John@nirma.info)

**State Contact:** Shannon M. Anderson, State Risk Manager  
Administrative Services Risk Management Division  
Phone: (402) 471-4436 Fax (402) 471-2800  
Email: [Shannon.Anderson@nebraska.gov](mailto:Shannon.Anderson@nebraska.gov)

## **B. COVERAGE UNDER THIS POLICY**

1. All motor vehicles used on State business. If a State employee uses his or her own personal vehicle on State business and an accident occurs, the employee's personal insurance is primary coverage and the State's policy is excess.
2. All drivers who use covered vehicles with permission and on State business. This may include contractors who are authorized to use state vehicles. Risk Management encourages agencies, through their contracts, to require contractors to provide their own transportation or to indemnify the State when using state vehicles. If you need assistance with related contract provisions please contact Risk Management.
3. All vehicles owned by the State are covered to the maximum of \$5,000,000 per occurrence for liability (bodily injury and property damage to personal or real property) caused by a State vehicle. While coverage is automatic for vehicles added or deleted during the policy period, **you must inform Risk Management when you add or surplus a vehicle or coverage may be denied in the event of an accident.**
4. There is no medical payment coverage for any injured party in a covered vehicle.
  - a. State officials and employees who are injured may qualify for coverage of their medical expenses under the state's workers' compensation program.
  - b. Injury to any passenger of the state's vehicle, caused by an uninsured or underinsured driver, may be covered under the uninsured/underinsured motorist coverage in the auto policy. This coverage is limited to a maximum of \$25,000 per person and \$50,000 per accident for all damages (property and bodily injury) resulting from the accident.
5. Physical damage coverage for vehicles owned by and/or leased from the Transportation Services Bureau (TSB) with a \$500 deductible per occurrence. The \$500 deductible must be paid by the agency that was leasing or renting the vehicle from TSB at the time the damage occurred.
6. Physical damage coverage for any other State-owned or leased vehicle at the request of the owning agency and at agency cost, with a \$500 deductible per occurrence. Physical damage coverage must have been elected and paid by the agency prior to the accident.
7. Physical damage coverage for private rental vehicles in the United States, its possessions and territories, Puerto Rico and Canada, while being used for State business.
8. Uninsured and Underinsured Motorist Coverage at \$25,000 per person and with a \$50,000 limit per occurrence.

## **II. INSTRUCTIONS FOR REPORTING MOTOR VEHICLE ACCIDENTS**

**Report all accidents to NRMA immediately by (1) calling Pete Eiden at 402-742-9220 or 800-642-6671 (2) e-mailing NRMA at [pete@nirma.info](mailto:pete@nirma.info) or [john@nirma.info](mailto:john@nirma.info), or (3) faxing the paper form to NRMA at 402-742-9230 or 888-311-3152. For serious accidents, call the information in first then follow up with the written report. Serious accidents should be reported to NRMA and Risk Management. If you are driving a TSB vehicle, follow the same procedures but report the accident**

to Clark Roth at TSB at [clark.roth@nebraska.gov](mailto:clark.roth@nebraska.gov) or (402) 471-2381 in accordance with TSB procedures and to NRMA.

- If you are involved in an accident be sure you obtain the insurance information from the other driver regardless of fault and whether the police are called or not.
- Check to be sure that the form is as complete as possible. Any bills, estimates or additional materials may be sent with the report but do not delay filing while waiting for these items. If the State vehicle is covered by physical damage insurance, note this clearly on the form.
- If additional information is sent later, identify by agency, date of accident and State driver.
- If a State vehicle or any vehicle used on State business (including an employee's personal vehicle) is involved in an accident, report the accident to the agency motor vehicle coordinator and file a Motor Vehicle Accident Report Form with NRMA (and TSB if it is a TSB vehicle) within 24 hours of the accident.
- The accident forms should be in the glove compartment of all State vehicles. Forms are also available on the risk management website at <http://www.das.state.ne.us/risk/> under “insurance” and “information for agencies,” or from the agency motor vehicle coordinator. The coordinator should retain one copy of completed forms and one copy should be sent or faxed to NRMA (and TSB if it is a TSB vehicle) immediately.

It is important that the information be sent the same day so that NRMA is aware of the accident and can be prepared to investigate or field inquiries from the other party. A NRMA adjuster will investigate the claim and contact your agency and the driver if they need assistance. Any information you may have regarding the accident should be relayed to the State’s adjuster. You may speak freely to the adjuster.

The vehicle driver must also file the required accident report with the Accident Records Bureau, Department of Roads. This report differs from the one filed with Risk Management.

An employee involved in an accident should **never** admit fault. An employee should give the insurance information from the Insurance Identification Card found in each vehicle and answer any questions asked by any law enforcement on the scene. No matter how small an accident seems, get all information from the other party, e.g., name, address and insurance carrier, before leaving the scene. Other parties should be directed to NRMA or Risk Management if they have further questions.

All injuries to State employees must be reported immediately to FARA, the State’s third party administrator for workers’ compensation, following the directions for reporting workers’ compensation claims, which may be obtained from the risk management website or from your agency workers’ compensation coordinator.

### **III. POLICY COVERAGE DETAIL**

The policy covers anyone operating a covered vehicle with the permission of a State employee. The policy covers all State-owned vehicles and non-owned vehicles used on State business in the United States, its territories and Canada. Since coverage includes students, volunteers and others who are not State employees, as well as employees who are driving their own vehicles (as excess to the employee’s

individual insurance), it is important that all agencies know who is driving any vehicle on State business. If you have questions or concerns about use of your vehicles or who will be covered please contact Risk Management.

#### **A. RECOMMENDED DRIVER SCREENING**

1. Annually check to see that everyone driving on State business has a current driver's license.
2. Identify all employee positions that require a commercial driver's license, then train and license the employees.
3. Obtain a motor vehicle record from the Department of Motor Vehicles for all employees hired to drive any vehicle, even their own, on State business. This record should be checked regularly for all drivers including those presently employed. Should an accident occur, the State could be found negligent for allowing employees with poor driving records to operate vehicles on the State's behalf.
4. Require that all employees who regularly drive a vehicle on State business take a refresher course in defensive driving every five years and any time a ticketed accident occurs.
5. Adopt personnel rules that make employees accountable for poor driving records and that allow accommodations for employees who cannot drive safely temporarily due to injury, illness, seizure disorders, medications, or other medical or non-medical reasons.

#### **B. RENTAL CARS**

When a State employee rents a car under contract in the United States, its territories or Canada on State business (e.g., Avis, Hertz), the State's insurance policy will provide coverage in excess of any other policy in force. The policy does not provide coverage for cars rented in other countries besides Canada. Please purchase the coverage offered or purchase insurance at the border if you are crossing into Mexico. The State's policy also covers physical damage to a rental car, so State employees should not pay for collision damage waivers offered by rental companies. Please note that the provided coverage is for physical damage only, and does not include any down time and/or loss of use alleged by the rental car company.

If a rented vehicle will be used for both State and personal business, the State coverage will only apply for the time you are on State business. If your personal policy will not provide coverage, you may prefer to take the coverage provided by the rental company. In such a case, the coverage should not be charged to the State.

#### **C. VOLUNTEER DRIVERS, PERSONAL VEHICLES, GUEST PASSENGERS**

The volunteer who uses their personal vehicle for state business is treated the same as an employee driving his or her own vehicle for work. The driver's own insurance is primary and the state's policy will only apply when the volunteer or employee has used his or her insurance limits or has no coverage. Independent Contractors are not volunteers. Risk Management encourages agencies to address the issue of auto usage and insurance coverage in all agency contracts.

To protect the State's interests, it is necessary that every agency screen volunteers and employees for:

1. Driver's licenses. Inspect licenses annually for renewal dates, restrictions and points.
2. Required insurance coverage. Inspect the Financial Responsibility or Insurance ID Cards annually. The agency should review for liability limits, physical damage coverage, and deductibles. Be aware that should there be an accident, the agency may be required to pay the deductible under the private policy covering the vehicle or may be responsible for other expenses that have not been budgeted. Additionally, many personal policies contain exclusions for use of the vehicle for work, which may impact coverage on the vehicle if an employee is driving. If you have any questions about the insurance coverage please contact Risk Management for assistance.
3. Good driving records. A periodic check with the Department of Motor Vehicles to monitor accrued points is advised, especially if a volunteer is transporting other individuals for whom the State has responsibility.

Volunteers should be registered with the agency, have had defensive driving training within the past five years, and must keep records of their trips by day and hour so State business can be verified if an accident occurs.

Vehicles used on state business must be safe. An agency should develop a process for inspecting or verifying the safety of any such vehicle.

Whether it is appropriate to allow passengers other than state employees and state clients in state vehicles is a decision left to each agency director. Agencies should be aware that other than for accidents caused by uninsured or underinsured motorists there is no insurance coverage for these passengers should they be injured. If the passenger believes an injury is due to the state's or state employee's negligence they may file a tort claim but there is no insurance available under the auto policy. Some agencies are asking guest passengers to sign a waiver before riding in state vehicles or with state drivers. A sample waiver may be obtained from the Risk Management website or by contacting Risk Management. A few agencies with frequent passengers have asked that Risk Management provide medical payment coverage for guest passengers. Risk Management is not currently offering this coverage. We continue to consider this request and the most reasonable method to offer such coverage and will notify agency coordinators should this coverage become available in the future.