



Mike DeWine, Governor
Jon Husted, Lt. Governor

Department of
Administrative Services

Matt Damschroder, Director

State of Ohio Administrative Policy

Self-Insured Vehicle Liability Program

No: **Motor Vehicle Fleet
VF-02**

Effective:
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Issued By:


Matthew M. Damschroder, Director

1.0 Purpose

Pursuant to Section 9.83 of the Ohio Revised Code, the Department of Administrative Services, General Services Division, Office of Risk Management (ORM), operates the state's self-insured motor vehicle liability program. The purpose of this administrative policy is to detail the specifics of the program and does not constitute a policy of insurance.

Copies of this policy should be posted and distributed to all employees, officers, and authorized operators who may operate a state vehicle in the scope of their employment or official duties.

Motor Vehicle, as found in Ohio Revised Code §9.83 includes an automobile, truck, motor vehicle with auxiliary equipment, self-propelling equipment or trailer, aircraft, or watercraft.

The ORM maintains a separate aviation liability insurance policy, which covers state owned aircraft only. Self-Insured liability coverage may be provided for select aircraft which meet specific underwriting requirements. A request for coverage must include:

1. Year, make and model of aircraft;
2. FAA Registration Number;
3. State agency name and operating division;
4. Pilot history forms for each pilot;
5. Flight operations type(s) and number of hours.

The ORM reserves the right to deny coverage for any aircraft or pilot under this section.

2.0 Program Terms & Conditions

The ORM will pay liability claims and judgments properly made and rendered against the state, state employees, state officers and authorized operators resulting from the operation of a motor vehicle, providing the operation was in the course of legitimate state business, as authorized by the participating state entity.

- 2.1 Limits of Coverage:** The program provides a combined single limit for bodily injury and property damage of \$2,000,000 per accident.

Required Endorsements:

A. Leased/Rented Vehicles: Coverage may be provided by endorsement for commercially leased or rented vehicles. Endorsements can be requested via the State of Ohio Risk Management Portal, which is accessible through <http://DAS.Ohio.gov/riskmanagement>.

B. Authorized Operators: Coverage for non-state employees may be provided, by special endorsement, for persons who operate state vehicles as authorized by the state entity, while serving the interest of the state. Endorsements can be requested via the State of Ohio Risk Management Portal, which is accessible through <http://DAS.Ohio.gov/riskmanagement>.

All endorsements are subject to ORM approval and may require an additional premium charge. No coverage will be provided unless the vehicle or authorized operator is properly endorsed.

- 2.2 Premium Allocation:** Pursuant to Ohio Revised Code §9.823, a premium allocation, which may periodically change, will be charged to each participating agency to cover claim payments, loss adjustment expenses and the cost of administration.
- 2.3 Territory:** Self-insurance coverage extends to losses occurring in the United States and Canada.
- 2.4 Termination of Self-Insurance Coverage:** Failure of an agency to pay a premium, as billed within 60 days, may result in a written notice of cancellation of self-insurance coverage. Cancellation of coverage will become effective 10 days after mailing.
- 2.5 Unauthorized Use of State Vehicles:** State-owned vehicles are authorized for use in the performance of all essential travel duties related to the completion of state business. They are not authorized for personal trips unrelated to the state business for which they were assigned or to attempt tasks which are beyond the vehicle's capabilities.

When in doubt, the decision must be based on whether the vehicle's use will serve the interest of the State, rather than the driver. Caution and discretion must be used at all times. For a listing of authorized and unauthorized use of state-owned

vehicles refer to Ohio Administrative Policy VF-01, *Employee's Use of Employer Provided Vehicles*.

If it is believed that an employee, officer or authorized operator's use of the vehicle is not authorized, it is the responsibility of the state agency employer or agency requesting coverage for an authorized operator to provide the ORM with immediate notification and the facts surrounding the incident. It is incumbent upon each state agency to pursue unauthorized operation charges pursuant to Revised Code §124.71. If the state agency fails to file charges, the ORM reserves the right to do so.

Any unauthorized operation of state vehicles may result in immediate disciplinary action from the operator's agency and/or termination of coverage under the self-insured program by ORM. Such action may prevent an operator from driving a state-owned or endorsed vehicle. Immediately notify the ORM of any such disciplinary action.

2.6 Exclusions:

A. Liability coverage does not apply:

1. If an employee, officer or authorized operator is convicted of violating Ohio Revised Code §124.71, Unauthorized Operation of Motor Vehicles.
2. To any driver who is operating, using or responsible for that driver's personally owned, leased or rented vehicle.
3. To bodily injury or property damage caused intentionally by or at the direction of the insured.
4. To liability assumed by the insured under any other contract or agreement.
5. To any obligation for which the insured or the ORM may be held liable under any workers' compensation, unemployment compensation or disability benefits law, or under any similar law.
6. To any bodily injury or property damage occasioned by the operation of a motor vehicle by a volunteer, or a temporary, not classified as an officer or employee of the state, unless covered by an endorsement.
7. To property damage, injury or destruction to:
 - a. Property owned by, in the charge of or being transported by the insured, or;
 - b. Property rented to or in the care, custody or control of the insured, or over which the insured is for any purpose exercising physical control.
8. To acts of war, whether declared by Congress, civil war, insurrection, rebellion or revolution or any act or condition incidental to any of the foregoing. This exclusion does not apply to situations arising under the condition of a state emergency and called forth by the Governor of the State of Ohio to engage specific state-owned vehicular equipment to act upon that emergency.
9. To all aircraft, unless the ORM determines it is in the best interest of the state to do so. Coverage is not automatic; pre-approval by the ORM is required.
10. To any vehicle, including watercraft, if the Federal Tort Claims Act required the U.S. Attorney General to defend the operator in any civil action or proceeding that may be brought due to its use.

11. To any driver who is operating under license suspension or revocation, unless special work privileges awarded by a court are provided to and approved by the ORM.
12. To any driver who is driving without a valid driver's license.
13. To any driver whose coverage has been terminated.
14. To bodily injury suffered by state employees while occupying state-owned vehicles (either as driver or passenger). State employees may be able to recover from workers' compensation, health insurance or other state disability benefits programs.
15. To any employee, officer, or authorized operator who fails to cooperate and participate in an accident investigation with the ORM or other investigating agency.

B. This program is not applicable to vehicles operated by the following state entities:

- Boards of Elections
- Courts of Common Pleas
- State university systems
- Courts of Appeals
- Agricultural experimental stations of the state

2.7 Termination of Coverage of Drivers: The ORM reserves the right to terminate coverage if the driver's actions present a threat to the motoring public. The duration of the coverage termination will depend on the specific facts surrounding the incident up to and including the possibility of permanent termination of coverage.

ORM shall review the driver's Ohio BMV driver abstract which is a record of all moving violation convictions, accident involvement reports and other actions that result in license suspensions, revocations or other disqualifications. Accidents previously reported to the ORM involving the driver's operation of a state vehicle shall also be included in the review.

If the review of the driver abstract reveals that the driver does not have a valid driver license, the driver shall be uninsurable under the program and shall not drive any vehicle, whether or not state-owned, in the course of state business. Extenuating circumstances may be considered that include court-awarded limited driving privileges or medical conditions, but do not guarantee continued coverage.

As part of the driver's Ohio BMV driver abstract review, ORM shall determine if there are major violations. Major violations include but are not limited to: Leaving the scene of an accident; Driving under the influence of drugs or alcohol; Racing or excessive speed (20 mph or more over the posted limit); Reckless, negligent or careless driving; Texting; Felony, homicide or manslaughter involving the use of a motor vehicle; Driving under suspension or revocation; Erratic lane-changing/weaving; Attempting to elude a police officer. Multiple violations resulting from the same occurrence may be considered as separate violations.

If a driver has had 7 or more minor moving violation convictions in the last 3 years, 2 or more major moving violation convictions in the last 5 years, or a combination

of more than 3 minor moving violation convictions and 1 or more major moving violation convictions in the last 5 years, coverage will be suspended for up to 3 years. A habitual pattern of high-risk behavior evident in the full driving history could result in a longer coverage suspension or permanent cancellation of coverage.

Violation of any statewide policy is a major violation and may result in discipline up to termination by the employing agency.

Allowing an employee whose coverage has been terminated to operate any vehicle for state business will transfer all liability for any claims made, including negligent supervision and negligent entrustment, to the agency. No coverage shall be afforded under the self-insured vehicle liability program. If an employee drives his/her personal vehicle for state business, the employee's personal auto insurance is primary and the agency assumes all excess and vicarious liability.

2.8 Reinstatement of Coverage: For those drivers whose coverage has been suspended, ORM will review the facts of the suspension at the end of the suspension period and may determine if the driver is eligible for reinstatement. Subject to the approval of the ORM, the driver must meet the following minimum conditions:

- A. Completed review by the ORM of the driver's Ohio BMV driver abstract that includes all moving violation convictions, accident involvement reports and other actions that result in license suspensions, revocations or other disqualifications;
- B. Having acquired no additional convictions under Ohio Revised Code §4510.036 while operating any vehicle during the period of termination of coverage;
- C. Having had driver's license status restored to Valid;
- D. Provide the ORM with proof of the successful completion of the eight-hour National Safety Council Defensive Driving Course, or similar course.

2.9 Reporting of Accidents: All accidents or occurrences arising from the operation of state vehicles shall be reported immediately to the ORM through the State of Ohio Risk Management Portal. The Portal can be accessed from any computer or mobile device by going to the ORM website: <http://DAS.Ohio.gov/riskmanagement>.

2.10 Financial Responsibility: Ohio law requires you to show proof of financial responsibility. Each state vehicle shall keep a copy of the State's Certificate of Self-insurance in the glove box of the vehicle for proof of financial responsibility. You may download copies of the Certificate of Self-Insurance from the ORM Website at: <http://DAS.Ohio.gov/riskmanagement>.

2.11 What To Do In Case of an Accident:

- A. Notify the nearest State Highway Patrol post or local law enforcement agency to request that an investigation be conducted. If there are any injuries dial '911'.
- B. Render assistance to any injured person(s) to the extent possible.

- C. Do not discuss whose fault the accident was, nor limits of coverage.
- D. Do not discuss the details of the accident to anyone except the investigating law enforcement officer.
- E. Obtain names, addresses and phone numbers of all witnesses and person(s) involved.
- F. Determine and record the name and address of the other person's insurance company.
- G. Notify your supervisor and/or fleet liaison as soon as possible.
- H. Obtain the name of the responding law enforcement division and the accident report number.

2.12 Contact Information & Inquiries:

Office of Risk Management
General Services Division
Department of Administrative Services
4200 Surface Road
Columbus, Ohio 43228-1395
Tel: (614) 466-6761
Fax: (614) 351-4335
Website: <http://DAS.Ohio.gov/riskmanagement>

- 2.13 Term:** This policy supersedes any previously issued directive or policy and will remain in effect until canceled or superseded.

2.14 Ultimate settlement activity and authority lies with ORM.

3.0 Authority:

ORC 9.821, 9.822, 9.823, 9.83, 121.07, 124.71, 4509.72, 4510.036

4.0 Revision History

Date	Description of Change
3/20/2008	Original policy.
9/1/2009	Re-issued as GS-D-01
7/13/2015	Revised the policy to address current State insurance requirements. Also, transferred the policy content into a new State of Ohio Administrative Policy Template and renumbered VF-02.
12/21/2016	Revised the policy to insert references to State of Ohio Risk Management Portal.
12/21/2017	Scheduled Policy Review
<u>6/12/2020</u>	<u>Revised the policy to clarify accident investigation cooperation, termination and reinstatement of coverage, and ultimate settlement authority.</u>