



Document Number	State Vehicle Use Policies SOP, D.13.01
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Related Policies and Procedures	https://generalcounsel.uncg.edu/travel-policies-and-liability/

1. Purpose/Introduction

N/A

2. Definitions

1. The State's vehicle liability policy provides coverage for "Bodily Injury" and "Property Damage" for State-owned vehicles and selected rental automobiles operated by State employees while on official business.
2. The State's vehicle comprehensive and collision policy provides coverage for:
 - "Comprehensive" - fire, lightning or explosion, theft, windstorm, hail or earthquake, flood, mischief, or vandalism
 - "Collision" with another object or overturn
 - Towing and transportation, and garage keepers (in the case of theft) expenses, and glass breaking.
3. A State employee is an individual working for the State for wages or salary paid through the State Treasury.
4. State-owned vehicles include those vehicles operated on public and University roads as well as off-road, whether gasoline, propane or electrically powered.
5. State-owned vehicles encompass the vehicles of both State funded and self-supporting University operations.
6. State-owned vehicles leased from State Motor Fleet Management are provided insurance coverage through Fleet Management. Employees operating these vehicles are to follow Motor Fleet Management guidance.

3. Procedural Steps

3.1 Important Points:

- 3.1.1 State vehicles, including utility carts, shall be used for official state (i.e., University) business only. Use of state vehicles for personal use is strictly prohibited (see current version of UNCG policies for additional information).
- 3.1.2 In case of a vehicle accident:
 - Campus Police must be contacted at the time of the accident to file a police report.

- An Accident/Injury report must be completed to document any injuries or, if no injuries, the Near Miss.
- State vehicles that are “totaled” must be surplused, insurance claim made (if applicable), vehicle removed from Fixed Assets inventory, and insurance subsequently canceled at the proper time.
- Property damage resulting from collision between two state vehicles is not covered by insurance if vehicles only have liability insurance.
- Director’s office shall be promptly notified of vehicle accidents.
- The Office of University Counsel shall be promptly notified of details regarding any vehicle accident occurring on the job where there is any personal injury to a passenger, pedestrian, or another driver or there is substantial property damage to the other vehicle that occurred in the course of the employee’s job duties. This could occur while driving either a State-owned or personal vehicle as long as the accident occurred in the course of the employee’s job duties. Upon learning of such an accident, Travelers Insurance, who administers claims for the State, is notified. Travelers Insurance typically investigates the accident in order to help protect the University from liability exposure.

3.1.3 The following information was taken from the policies referenced but may not be current. Please refer to the current version of the policy to ensure compliance.

- From <https://generalcounsel.uncg.edu/travel-policies-and-liability/>

3.2 Who may drive State vehicles?

3.2.1 According to State law, State-owned vehicles shall be used only for official state (i.e., University) business. Only a State employee (a person paid on State payroll), may drive State vehicles. A student may drive State vehicles ONLY upon prior authorization and ONLY in the scope of student-employment responsibilities. A student who is not ALSO an employee may NEVER drive a State-owned vehicle.

3.3 Does UNCG have insurance?

3.3.1 The State has purchased motor vehicle liability insurance for all State-owned vehicles with limits of \$1 million per person injured and an absolute limit of \$10 million per accident. The State’s insurance is PRIMARY if the accident occurs while the employee is operating a State-owned vehicle on authorized State business. The driver’s personal auto liability insurance may be SECONDARY, depending on its terms and conditions. If the employee’s personal insurance does not apply, however, then the ONLY liability insurance available for the employee would be the State’s insurance.

3.3.2 Depending on its terms and conditions, an employee's PERSONAL automobile liability insurance may apply when an employee drives his/her PERSONAL VEHICLE on authorized State business. Under those circumstances, the employee’s personal auto liability insurance would be PRIMARY and the State’s insurance would be SECONDARY. Again, if the employee’s personal insurance does not apply, however, then the ONLY liability insurance available for the employee would be the State’s insurance.

3.3.3 Employees should be aware that liability verdicts may exceed the limits of the State’s insurance. All employees should CHECK WITH THEIR INSURANCE AGENTS AND CHECK THE TERMS OF THEIR PERSONAL AUTO LIABILITY POLICIES TO MAKE SURE THEY HAVE SUFFICIENT LIABILITY COVERAGE FOR THEIR JOB-RELATED DRIVING.

3.4 What if someone is injured?

3.4.1 An employee's personal injury during travel may be covered by workers' compensation depending on the circumstances. **Employees should be aware that the State's insurance policy does not have UNINSURED or UNDERINSURED ("UM") insurance coverage.** UM insurance is designed to compensate the injured party in an amount equal to what he/she might have recovered in tort damages in those circumstances where the driver who is at fault has no liability insurance or insufficient liability insurance limits. Employees who desire UM coverage when driving vehicles (both State-owned and employee-owned) should CHECK WITH THEIR INSURANCE AGENTS AND CHECK THE TERMS OF THEIR PERSONAL AUTO LIABILITY POLICIES.

3.4.2 All non-employee injury claims should be reported to the Office of University Counsel as potential tort claims.

3.5 What is an employee's personal liability?

3.5.1 Personal injury or property damage resulting from the negligence of an employee or agent of the University will be processed under and subject to the limits of the North Carolina Tort Claims Act, the State's Liability Insurance, and any applicable personal insurance (see above regarding insurance limits). The Office of the North Carolina Attorney General represents State employees for actions arising out of the employees' negligence in the course and scope of their employment responsibilities.

3.5.2 Note well, however, that an employee may be personally liable and not represented by the State for actions that are personal, intentional, grossly negligent or outside the course and scope of his/her employment responsibilities.

3.5.3 From: <https://generalcounsel.uncg.edu/travel-policies-and-liability/>

3.6 Auto (Vehicle) Liability & Physical Damage

3.6.1 Vehicle liability insurance coverage is mandatory for all University State-owned vehicles per North Carolina General Statute 58-31-50. The University's risk management policies and practices endorse and enforce this requirement. Comprehensive and collision insurance is optional coverage which is purchased separately at the discretion of each department.

3.7 Application

3.7.1 Vehicle liability insurance is procured for all University/State-owned vehicles through the University's Office of Enterprise Risk Management. This action is taken based on the reports of vehicles from each affected University department. These reports are updated with the State Department of Insurance on an annual basis by the Office of Enterprise Risk Management. Premiums for coverage of all University vehicles are paid from a State appropriation account. Self-supporting University department accounts, however, must be debited at the State assigned rate basis to reimburse the University's State account.

3.7.2 Vehicle comprehensive and collision insurance is procured only at the request of the University department. Premiums for this coverage are billed to the affected departments and collectively paid to the State through the Office of Enterprise Risk Management. This action takes place in concert with the annual vehicle liability renewal process.

3.7.3 To benefit from this coverage, the University restricts the operation of all its vehicles to licensed State employees on official business. Where loss or damage occurs in the operation of a State-owned vehicle for unauthorized purposes or in unauthorized locations, the employee's personal insurance is the primary coverage.

3.7.4 Student drivers must have employee status to drive. Non-State employees and students may travel as passengers in State-owned vehicles when their presence is related to official State business or as part of officially sanctioned travel.

3.7.5 The State vehicle liability is limited when employees lease rental vehicles for official travel from the State contracted vehicle rental companies. The rental companies' insurance policy provides primary coverage up to the State's accepted limits of coverage; thereafter, the State's insurance policy assumes the liability. State employees, therefore, are not required to sign any "Collision Damage Waiver" when renting a vehicle. Any acceptance of this waiver may be reimbursed by the State.

3.7.6 Any requests for additional endorsements or increased limits of coverage for rental vehicles are to be referred to the Office of Enterprise Risk Management before any commitment is made by the employee. These types of requests are typically made when large groups and team travel are involved. It is University practice not to purchase or present proof of this additional coverage; rather, the needed vehicle should be rented from another company.

3.8 Coverage Limits

3.8.1 The State vehicle liability coverage is limited for "bodily injury" and "property damage" within the State of North Carolina as well as outside the state as prescribed in Appendix B. For all locations, medical payments are purchase d at the discretion of the individual department/division and limited per Appendix B.

3.8.2 Medical payments offset expenses for non-State employees traveling as passengers. Medical expenses for State employees injured while operating a State-owned vehicle are addressed by the Workmen's Compensation Program.

3.8.3 The State's liability for automobile physical damage liability (comprehensive and collision) is limited under the State's vehicle rental contract as specified in Appendix B. Protection is additionally afforded for "bodily injury" and "property damage" per Appendix B caused by rented or leased vehicles under the State's insurance policy.

3.8.4 The State's comprehensive and collision policy provides the lesser of (1) actual cash value of the damaged or stolen property or (2) cost of repair or replacement in kind. Excluded from this coverage is wear and tear, mechanical or electrical breakdown, and damage to tires. The policy deductibles are for "comprehensive" and "collision" are prescribed in Appendix B.

3.8.5 Because the State's vehicle insurance policy is a "retroactive policy", the University's premium amounts are established based on actual loss history in the year preceding the premiums' invoice, i.e. as reported losses and damages increase so do the premiums. The University, therefore, strongly encourages all vehicle operators to adhere to the proper and safe operation of all State-owned vehicles.

4. Revision Table

Revision #	Section #	Summary of Changes	Approval Date