

**STATE OFFICE OF RISK MANAGEMENT**  
**VEHICLE USE GUIDE**  
**October 11, 2011**

**Frequently Asked Questions:**

**What happens if a State employee is involved in an automobile accident while on state business?**

**In a state vehicle (owned, rented or leased by the State):** The employee should immediately notify their supervisor if they are involved in an automobile accident while in a state vehicle. All injuries to state employees would be handled by the State self-insured workers' compensation program. The State Office of Risk Management (SORM) will investigate liability claims (damage to and/or injuries in the "other car") presented against either the State or the state employee and process any payments to injured party, if indicated.

**In a personal vehicle:** The employee should notify their private insurance carrier if they are involved in an automobile accident on state business. All injuries to state employees would be handled by the state self-insured workers compensation program administered by the SORM. The employee's personal automobile insurance carrier would handle all liability and property damage claims, to the "other car".

**Who Can Drive State Vehicles?**

Per statute, only state employees and authorized volunteers are covered by the state self-insurance fund to drive a state vehicle. An authorized volunteer is defined as ... a person who performs an act for the BENEFIT, at the REQUEST and subject to the CONTROL of the State. When an authorized volunteer drives a state vehicle, liability coverage attaches to that driver however, workers' compensation does not apply, and the driver is responsible for his or her own medical payments. State temporaries that receive a state payroll check can drive a state vehicle. Temporaries who are paid through an agency are not state employees and therefore, cannot drive a state vehicle.

**Who can occupy State Vehicles?**

The SORM endorses the Fleet Management Rule that State vehicles are to be used for official State business only and non-employees should not be transported in state vehicles. Transporting persons who are non-state employees in state vehicles greatly increases the financial risk to the State. Therefore, if a non-state employee is transported in a state vehicle there should be a compelling business reason to do so.

**Personal Vehicles**

Colorado insurance law requires that all vehicles be insured for liability, and that coverage is primary. In addition, private insurance carriers may require notification business use. Also, employees who drive their personal vehicles on state business should ideally obtain liability coverage in a minimum amount equal to the Colorado Governmental Immunity Act liability limit (currently \$150,000/\$600,000). The SORM will not pay for deductibles or physical damage to employee's automobile.

**Out-of-state State Vehicle Operation**

State vehicles ARE covered for liability when driven out-of-state (but not in Mexico). Renting a car pursuant to the State Travel Program is an alternative; but is not necessary.

### **Rental Vehicles**

The renting or leasing of a motor vehicle is subject to the Central Services Travel Management Program and the use of an approved state credit card. If the rental or lease agreement does not include the use of an approved state credit card the rental/lease agreement should include the purchase (or inclusion via terms and conditions of the State Travel Program) of liability insurance. Colorado law may severely restrict attempts by the SORM to apply its protection to rented vehicles. Also, since the SORM is prohibited by law from defending non-work situations, any deviation from one's course of employment while operating a rented vehicle may place State employees and/or the State at risk if legal protection cannot be provided.

### **Federal Vehicles**

Liability claims arising out of a state employee's use of a federal vehicle will be the responsibility of the State. Physical damage (collision & comprehensive) claims will be the responsibility of the vehicle owner. State/federal vehicle use agreements might include a clause similar to the following: "for purposes of this agreement and the Colorado Governmental Immunity Act, vehicles owned by the federal government shall be deemed to be leased by the State when operated by a State employee." There should be reciprocal wording from the federal side.

### **Physical Damage**

Collision coverage (or its premium cost) is not provided by the SORM for any state-owned vehicle. Fleet Management provides a physical damage program applicable to some state-owned vehicles. If a vehicle is owned directly by a state agency and not covered by Fleet Management, that agency may purchase physical damage/comprehensive coverage through the state's insurance broker. Contact SORM to obtain additional information on the coverage that may be purchased. In addition, the Central Services Travel Management Program provides physical damage coverage on rented vehicles via their credit card program.