

2011-2012

**Auto Insurance
Overview
(New or Renewal)**

E-MAIL COMPLETED RENEWAL FORMS NO LATER THAN JUNE 27, 2011 TO:

risk.management@state.mn.us

(Please use this e-mail address only for renewal information)

**Risk Management Division (RMD)
Department of Administration
310 Centennial Office Building, 658 Cedar Street
St. Paul, MN 55155**

Risk Management Division – Property & Casualty Staff

Director of Risk Management

Liz Houlding
(651) 201-3010
Liz.Houlding@state.mn.us

Property and Casualty Manager

Dave Agren
(651) 201-2594
David.Agren@state.mn.us

*Underwriting/Marketing
Manager*

Marlys Williamson
(651) 201-2591
Marlys.Williamson@state.mn.us

Claims Manager
Open

Business Manager

Gay Scharpen
(651) 201-2587
Gay.Scharpen@state.mn.us

Underwriting Risk Specialist

Carol Morgan
(651) 201-2593
Carol.Morgan@state.mn.us

*Senior Claims
Representative*

Lea Shedlock
(651) 201-2589
Lea.Shedlock@state.mn.us

Office & Administrative Support

Denise McGovern
(651) 201-2588
Denise.McGovern@state.mn.us

Claims Representative

Erica Richards
(651) 201-2590
Erica.Richards@state.mn.us

TTY #

800-627-3529

Risk Management Fax #

651-297-7715

Contact us to discuss the renewal or to receive assistance evaluating insurance needs. We are available to meet one-on-one as well.

Visit our web site for copies of our quarterly *Alert* Newsletter, Annual Report, extra Applications, Loss Reporting forms, Certificate Request form, Coverage Change Request form, General Insurance Requirements for State of MN Vendors and Contractors, and the Enterprise Rent-A-Car Company Contracts:

<http://www.admin.state.mn.us/risk/>

OVERVIEW OF COVERAGE AVAILABLE THROUGH THE RISK MANAGEMENT FUND

Automobile Liability Coverage (limits as set by Minnesota Statute)

- **Bodily Injury & Property Damage – Person:** \$ 500,000
- **Bodily Injury & Property Damage – Per Occurrence:** \$1,500,000
- **Uninsured/Underinsured Motorist – Per Person:** \$ 25,000
- **Uninsured/Underinsured Motorist – Per Occurrence:** \$ 50,000
- **Personal Injury Protection – Disability:** \$ 20,000
- **Personal Injury Protection – Income Loss:** \$ 20,000
- **Damage to Rental Vehicles:** \$ 35,000
- **Deductible:** None

Automobile Liability

You will find attached an audit sheet, which should be completed and returned by June 27, 2011. The purpose of this audit is to obtain an accurate count of **YOUR OWNED VEHICLES OR VEHICLES YOU LEASE FROM AN AUTO LEASING FIRM (OTHER THAN FLEET SERVICES), BY CLASS CODE.** If the vehicle(s) you are using is/are leased from Fleet Services, there is no need to report it since Fleet Services provides the insurance in the lease agreement. The audit is also used to capture the number of out-of-state miles driven annually.

All “self propelled” units must be reported for the purposes of this audit. A self-propelled unit is defined as follows:

A motor vehicle that is used primarily on public roads, highways or streets to transport persons, property or provide services (i.e., paint strippers, street sweepers, road graders, etc.). Motor vehicles of this type should be included in this audit.

If you lease a vehicle from a commercial car rental firm, you may have to report the vehicle, depending on the lease conditions. Usually, intermediate and long-term leases require the lessee to provide the insurance for liability as well as for physical damage to the vehicle itself. These vehicles must be included on the audit sheet, with the exception of long-term leases from Enterprise Rent-A-Car Company. If there are any questions contact Risk Management to discuss your individual situation.

For Automobile Liability coverage only, it is not necessary to report mid-term changes. No premium charges, either additional or return, will be made.

Automobile Physical Damage Coverage (Comprehensive and Collision Insurance)

- **Limit of Insurance:** Actual Cash Value of Vehicle
- **Deductible Options:** \$ 500 - Option 1
\$ 1,000 - Option 2

Automobile Physical Damage

In addition to Automobile Liability, you may purchase optional Automobile Physical Damage coverage (Comprehensive and Collision) through the Risk Management Fund, subject to one of two deductible options, a \$500 Deductible or \$1,000 Deductible. (Larger deductibles may be required for high-valued units.) Under this program, we will pay you for your loss based on the cost to repair your vehicle, subject to the applicable deductible. In addition, we will exercise your right of subrogation against the responsible party, eliminating your need to pursue a third party. If we are successful, we will return the appropriate portion of the deductible to you.

***Please note:** If you purchase physical damage coverage through the RMF, the cost to repair, or replace auto glass (windshield, rear and side glass) is **FREE**, unless the glass is damaged as a result of a collision. The RMF pays for glass damaged from non-collision related losses.*

*If you have had Comprehensive and Collision coverage through the Fund this year, you will find an attachment listing the current schedule of vehicles covered. If you have not had this coverage and desire a quotation please complete the CC-1 Form and provide the requested information. ***It is imperative that the Risk Management Division be notified of all changes to your fleet within 30 days of the change. The only exceptions to this rule (due to the number of vehicles insured and substituted) are the following agencies:***

**Department of Human Services - MSOCS
Department of Natural Resources**

**Metropolitan Airports Commission
Fleet & Surplus Services**

Verification of coverage is made by Vehicle Identification Number (VIN) and if it is not on file, we will be unable to pay the claim. ***It is the policy of the Risk Management Division not to return premium for deleted vehicles. We will charge a pro-rated additional premium for vehicles added during the course of the year.*** This is done to cover the transaction costs that are incurred by the Division. ***Note: If all vehicles are insured for comprehensive and collision coverage, we will waive any pro-rated additional premium for the remainder of the policy term in most cases. We reserve the right to make a premium charge for large numbers of mid-term additions.***

Vehicles leased from Fleet Services are covered by the Risk Management Fund subject to the applicable deductible, which will be the responsibility of the agency leasing the vehicle.

A final comment regarding car rental on a daily or weekly basis from car rental companies: Minnesota Law requires that the Minnesota resident's vehicle insurance policy provide Physical Damage coverage on all such vehicles as a part of the Property Damage Liability coverage, up to a limit of \$35,000.

If you utilize either of the two State of MN Enterprise Rent-A-Car Company contracts (we strongly recommend that you do), all insurance coverage – Auto Liability and Auto Physical Damage (aka Collision Damage Waiver) – is provided by Enterprise at no additional charge. For all other daily or weekly rentals, employees should accept the insurance provided by the rental car company for Auto Liability coverage and Auto Physical Damage coverage (aka Collision Damage Waiver).

Loss Runs dated July 01, 2010 to July 01, 2011 will be available upon request.

The descriptions of insurance coverages herein do not amend, alter or replace the terms, conditions, exclusions and other provisions of policies that would be issued to you, nor do they amend or replace any applicable laws, regulations, rating rules or plans.

IMPORTANT 15-PASSENGER VAN REMINDER

All 15-passenger vans were to be removed from service as of January 1, 2010 to comply with the State of Minnesota's Model Fleet Safety Management Standards. According to the National Highway Traffic Safety Administration, the vans are highly susceptible to rolling over. The rear seats should be removed from any 15-passenger vans that are still in service and the vehicles should be used only as cargo vans.

Motor Vehicle Records

The Auto Fleet Task Force has produced and implemented minimum fleet safety management standards for statewide use, one of which is employee motor vehicle record checks. The RMD is able to order motor vehicle records for agency employees driving state-owned vehicles, leased vehicles, rented vehicles or personal vehicles to conduct State of Minnesota business.

If your agency is not already ordering motor vehicle records annually (either on your own or through the RMD), contact Carol Morgan at 651-291-2593 (Carol.Morgan@state.mn.us) or Dave Agren at 651-201-2594 (David.Agren@state.mn.us) for assistance.

Certificates of Insurance and Self-Insured Letters

Reminder: We discontinued issuing agency-to-agency certificates of insurance and self-insured letters in FY11. Issuing these documents to one state agency on behalf of another state agency has little value. All agencies are insured through the RMF for Auto Liability and many are also insured for General Liability. Agencies that are not insured through the RMF for General Liability are "self-insured" – they look to their budgets to pay claims and associated expenses for bodily injury and property damage to third parties. Injuries to state employees are covered under the state's workers' compensation self-insurance program. Consequently, it is not necessary for agencies to require evidence of insurance from each other.

All other requests for Certificates of Insurance and Self-Insured letters are being processed in the same manner as in the past and we continue to honor agency-to-agency requests for evidence of insurance from quasi-state agencies.