Risk Management Division
Vehicle Coverage
Frequently Asked Questions

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- **Who is eligible to operate State Fleet vehicles?**

  Only state of North Dakota employees are authorized to operate state, rented, or leased/courtesy vehicles while conducting state business. Some volunteers, including students, if acting in an official capacity on behalf of the State, may be considered temporary employees and allowed to use state vehicles for those purposes. Drivers must possess a valid driver's license. State Fleet Services Policy Manual

- **Who is authorized to ride in State Fleet vehicles?**

  Primarily state employees. Drivers may NOT transport their spouses, children, animals, or hitchhikers in state vehicles. Some non-employees may be authorized to ride in State Fleet vehicles if necessary for 'official state business' (i.e. to further the business purpose of the program, agency, or State).

- **What is considered authorized use of a State Fleet vehicle?**

  State law (N.D.C.C. §39-01-03) prohibits 'private use' of State Fleet vehicles. Further, the Tort Claims Act (N.D.C.C. 32-12.2) provides that liability coverage only applies to activities within the scope of an employee's employment. Essentially, 'authorized use' is limited to travel that is necessary in the performance of an employee's official duties.

- **When I travel for business, what is considered authorized use of a State Fleet vehicle?**

  Activities that are necessary to further the purpose of state business are authorized, i.e. driving to the place where state business is to be conducted, hotel, necessary meals, fueling sites.

- **When I travel for business, what is not considered authorized use of a State Fleet vehicle?**

  Activities that are NOT necessary to further the purpose of state business are not authorized, i.e. commuting to and from your home, shopping, sight-seeing, visiting friends or relatives, movies, gym/fitness center, other personal errands.

- **Do the rules change for rental or leased/courtesy vehicles?**

  No. Only individuals acting in official capacity of the State may operate or ride in a rented or leased/courtesy vehicle – the same as a State Fleet vehicle. Further, only 'authorized' activities can be covered by the Risk Management Fund. Coverage for rented or leased vehicles transporting family members or used for personal pursuits must be separately purchased or provided under the employee's existing personal insurance.

- **What happens if I am in an accident while engaging in unauthorized activities with a fleet, rental, or leased/courtesy vehicle?**

  The Risk Management Fund would not be responsible for losses resulting from an employee's unauthorized use of vehicles. Determination of coverage will be made after review of the accident report and any necessary investigation.

  * Before Risk Management can make any payment on a claim, documentation will need to be provided from the employee and/or a supervisor verifying that the driving activities were within the scope of the employee's employment.

- **I had a vehicle accident while conducting state business and within the scope of my employment. Now what do I do?**

  State Fleet vehicle accidents involving serious injury (death, potential for death, or potential for serious or permanent injury) or extensive property damage should be reported **immediately** to 9-1-1 and State Radio (1-800-472-2121) indicating that *"this is a Risk Management accident*."

  All incidents should be reported on-line to the Risk Management Division within 24 hours of the accident. On-line reports are automatically provided to State Fleet, as well as the Vehicle Dispatch Office or DOT Repair Location. You will find a paper copy of the Motor Vehicle Accident Report, SFN 51301 in State Fleet's packet provided when the vehicle is checked out.

- **If I'm in an accident while conducting state business, what do I say when the other party or law enforcement asks for the name of the insurance company and policy number?**

  You can tell the other party and/or law enforcement that *liability coverage* is the North Dakota Risk Management Fund, pursuant to N.D.C.C.ch. 32-12.2. There technically is not a policy number because the coverage is by statute, rather than an independent insurance company. State Fleet vehicles should have an insurance card (example below) with this information in the packet given to the driver at checkout.

North Dakota State Fleet Vehicle Liability Identification Card

ND Risk Management (State Owned Vehicles) self-retention fund
No policy number - coverage is pursuant to N.D.C.C. ch 32-12.2
Effective 07/01/97; No Expiration
Risk Management Division: 1-866-534-2834; 701-328-7584

Report all serious accidents immediately to:
911 and State Radio 1-800-472-2121

State Employee accident reporting instructions on reverse side

State Employee Accident Reporting Instructions

1. Obtain name(s) and address(es) of:
   a. driver(s) and occupant(s) of other car(s), and
   b. injured.
2. Obtain insurance information of other driver(s) involved.
3. Obtain name(s) and address(es) of all witnesses.
4. Make no comment or statement regarding the accident except to police or a representative of the State.
5. Within 24 hours, report the accident on-line to Risk Management and State Fleet at www.nd.gov/risk.
6. Contact for Questions: Risk Management 701-328-7584, 1-866-534-2834 and State Fleet 701-328-1472.

Revised 08/13

- **Also available are *Risk Management Claims Cards* (example below), which have been distributed to all State entities.** These Cards can be provided to any party that reports an injury or property damage caused by the State or a state employee and is inquiring about filing a claim or recovering damages.

  - Simply provide the Claims Card to the party and inform them that they can call Risk Management for more information.
  - By using this process, you will not be in a position to answer questions regarding payment or advising members of the public about the claims procedures.

  Contact Risk Management for additional Cards: 701-328-7584.

Risk Management Claim Cards	
Direct questions pertaining to a potential claim against the state of North Dakota, pursuant to N.D.C.C. ch. 32-12.2, the State Tort Claims Act, to the Risk Management Division at **1-866-534-2834** The Division's office hours are Monday-Friday 8:00 am to 5:00 pm. See reverse side for additional information.	The State and State agencies are provided liability coverage under the North Dakota Risk Management Fund. By law, in order for the Fund to compensate you for your loss, it would be necessary for the investigation to determine that the damages were caused by negligence on the part of the State or an employee of the State. N.D.C.C. § 32-12.2-04 provides that a claim against the state or a state employee must be presented to the Director of the Office of Management and Budget within one hundred eighty (180) days after the alleged injury or property damage was discovered.

- **What coverage is available when a *State Fleet* vehicle is involved in an accident?**

There are three (3) types of coverages that may apply in the event you are involved in an accident while operating a State Fleet vehicle within the scope of employment:

1. **Property Damage**: Damage to State Fleet vehicles are covered by State Fleet's self-insurance. State Fleet does not purchase coverage through a private insurance carrier.

2. **Liability**: Damage to other vehicles (third parties), injuries to the occupants of the other vehicles, and other property is covered by the Risk Management Fund, pursuant to N.D.C.C. ch. 32-12.2, when the State or a state employee's actions are negligent. The coverage includes leased or rental vehicles while operated for state business.

3. **Worker's Compensation**: Injuries to state employees are covered by the Risk Management Worker's Compensation Program.

- **How does coverage apply to leased/courtesy vehicles?**

Automobile liability, comprehensive, and collision coverage is provided by the Risk Management Fund under the following conditions:

- The operator/driver must be an employee of the state of North Dakota;
- The vehicle must be used for state business;
- The employee must be operating within the scope of the employee's employment (state business);
- The only occupants authorized in the leased/courtesy vehicle are employees of the state of North Dakota, and those non-employees necessary in order to conduct state business.

If the employee intends to use the courtesy/leased vehicle for **personal use**, which includes transportation of persons that are not employees of the state of North Dakota (i.e. family members, significant other), the employee must purchase his/her personal insurance coverage for that particular use. Risk Management will not cover losses under these circumstances. Proof of personal insurance must be provided to the designated department prior to any personal use. That designated department and Risk Management will provide guidance on the necessary levels of insurance coverage to purchase for the courtesy/leased vehicle.

- **Can I use my personal vehicle while conducting state business?**

  Yes. Although, it is statutory that employees shall use a state-owned vehicle whenever possible (N.D.C.C. § 54-06-09), state employees may obtain authorization from their supervisor to use their personal vehicle on state business.

- **What coverage is available when a "*personal*" vehicle is used for state business is involved in an accident?**

  - If a State Fleet vehicle was available and the state employee chose to use his or her personal vehicle, the employee's personal vehicle insurance would be primary. The employee's insurance would be the coverage for all of the damages resulting from the accident, i.e. physical damage to all of the vehicles and injuries to occupants of other vehicles. In addition, any insurance deductible payment would be the employee's responsibility.

  - If a State Fleet vehicle was **NOT** available, the Risk Management Fund would be primary, covering damages to other vehicles (third parties) and injuries to occupants of other vehicles. The state of North Dakota provides "third-party" liability coverage and does not pay for physical damage to an employee's personal vehicle.

  - Injuries to state employees are covered by the Risk Management Worker's Compensation Program.

  * If the employee was using his or her personal vehicle, Risk Management will need documentation from the employee's supervisor verifying that the employee was conducting official state business at the time the accident occurred.

- **If I rent a car for state business, should I purchase the liability insurance they offer?**

  - Employees must avail themselves to the *state cooperative contract for vehicle rentals* administered by the OMB State Procurement Office. OMB Fiscal Policy 518 provides that agencies must use state contracts that include liability coverage and damage waiver as part of the base rental rate. See State Cooperative Contract for Vehicle Rental - Nationwide. If a vehicle is not available through the state contract, refer to Risk Management Guidelines (below).

  - Based upon the complexity and exposures associated with administering long-distance claims, *Risk Management Guidelines* are that agencies purchase the damage waiver (referred to as 'collision damage waiver' or 'loss damage waiver') and liability coverage from the rental company if renting the vehicle in other countries (e.g. Canada, Mexico) and in states other than bordering and closely bordering states of Minnesota, South Dakota, Montana, Wyoming, Iowa, and Wisconsin. If the Risk Management Guidelines for the purchase of additional coverage do not apply, coverage for renting a vehicle for state business and operating the vehicle within the scope of employment is provided under the Risk Management Fund.

  - Personal use of a rental car is not covered under the Risk Management Fund and would be the responsibility of the employee's personal insurance.

- **If my agency hires a consultant or presenter and he/she needs to rent a car, should liability insurance be purchased from the rental company?**

  The Risk Management Fund cannot provide liability coverage for non-state employees, such as independent consultant's or presenters. If the consultant or presenter doesn't purchase the additional liability coverage from the rental company, his/her personal insurance coverage will apply to the rental car.

- **Will I need to show my driver's license every time I pick up a State Fleet vehicle?**

  Yes – it is recommended to do so. A valid driver's license must be in possession of the driver at all times when operating a state vehicle and be of the appropriate class governing the vehicle being operated. This includes when the vehicle is picked up – valid driver's license information is required for all drivers and vehicles cannot be checked out and released without it.

- **Do I need to take the Defensive Driving Course to operate a State Fleet vehicle?**

  Yes. The State Fleet Services Policy Manual requires those who operate fleet vehicles, on at least a monthly basis, to take the Defensive Driving Course as soon as practical after accepting employment and every four years thereafter.

- **Who do I contact for information about the Defensive Driving Course?**

  State Fleet Services, 701-328-1472 or go to State Fleet Services website.

- **Is anything special required to drive 15-passenger vans?**

  Yes. *All* operators of large passenger vans must complete a web-based training program and in addition, "non-exempt" operators will be required to complete the behind-the-wheel component.

  Review and be familiar with State Fleet's Large Passenger Van Policy. You may also contact your local Motor Pool or State Fleet Services for further information.

- **Can I use a cell phone while operating a vehicle on state business?**

  Risk Management encourages agencies to adopt and implement policies that restrict the use of handheld cell phones while driving on state business, except as strictly necessary to fulfill approved and designated critical agency functions or in a life/safety emergency situations.

- **Can I text while operating a vehicle on state business?**

  No, texting is prohibited while operating ALL vehicles. Distracted driving, including text messaging while driving, has become a major contributor to auto crashes. To reduce the risks of such crashes, N.D.C.C. § 39-08-23 was enacted to address the prohibited use of wireless communications devices while operating a vehicle**.** Further, it is NDDOT's policy (General Regulations for Operators) that State employees shall not engage in text messaging while driving a state government fleet vehicle.

- **Seatbelts . . . do I have to wear them?**

  Yes. State law and the State Fleet Services Policy Manual require the use of safety belts while operating a vehicle.

- **What if I need a seatbelt extension?**

  Contact State Fleet Services for availability of extensions. Ensure that you reserve an extension when reserving a State Fleet vehicle. Remember, you are "required" to wear a seatbelt to operate a State Fleet vehicle.

- **It's not mine . . .why should I care if I have an accident with a State Fleet vehicle?**

  All accidents involving vehicles being operated by state employees are reviewed by the North Department of Transportation and/or the agency employing the person involved in the accident. Further, more serious accidents may be reviewed by the Risk Management Motor Vehicle Accident Review Board. The findings of the reviewer(s) will be given to the employee and the Agency Head. If the reviewer determines that the accident was preventable recommended actions for the employee will be given to the Agency Head.

  Remember that driving a vehicle owned by the State is a **privilege** of a state employee, rather than a right and this privilege can be prohibited if circumstances warrant.

- **Does the Risk Management Fund cover property if it is damaged or stolen from the State Fleet vehicle or property/equipment being transported on a trailer by a state employee?**

  No. The Risk Management Fund does not cover property of the state of North Dakota or of state employees.

  The entity owning the property may want to purchase separate coverage for the property being transported in a vehicle or on a trailer. The Risk Management Division facilitates an All Risk Insurance policy that may cover this type of property. For more information, contact Risk Management at 701-328-7584.

- **Are students authorized to operate state vehicles?**

  No. Students may not operate state fleet vehicles except in those narrow circumstances where driving is a required part of an established course of study. Coverage under these instructional programs is limited to the minimum financial responsibility requirements contained in and pursuant to N.D.C.C. § 39-16.1-02 and N.D.C.C. § 26.1-41-05 .