



**Risk Management Division
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MEMORANDUM

March 8, 2007

From: Dept. of Administration, Risk Management Division

RE: **State Employee or Volunteer Use of Personal Vehicle on State Business**

By state statute, the coverage for any vehicle that is involved in an accident is primary. This means that if you are in your personal vehicle and involved in an accident, your insurance policy is involved first.

The obvious impact that employees and volunteers should consider is that we are all taking a risk that our policy will have a claim/claims against it for an accident on state business that could impact our future rates and insurability. The state will not step in here and will not assist covering the damage to your personal vehicle. The state's insurance will provide coverage in excess of your liability limits up to the tort cap.

The state prefers that state employees drive state vehicles or rentals through Enterprise. The state has two contracts with Enterprise Rental. Contract V-33 (5) is for rentals in six states- MN, WI, IA, IL, ND, and SD. V-38 (5) is for "North America", other than the six states listed. This does not include Mexico. You have to buy Mexican National Insurance for any vehicle you drive in Mexico. Enterprise provides all insurance coverage up to the tort cap. By using an Enterprise rental, we are shifting the risk to Enterprise and not risking our personal assets. The contracts with Enterprise have full insurance coverage built in and no additional insurance should be purchased. There are different rules if the rental is initiated in Canada. Talk to Risk Management if there is a need to rent from a Canadian-based Enterprise Vendor.

Volunteers are not eligible to drive vehicles under the Enterprise Contracts and we do not recommend their using a personal vehicle on state business.

Page 2

March 12, 2007

Since Contracts can change, please check for changes before you make arrangements. The valid contract dates are on the contracts and the contracts are located at Material Management's website through the Department of Administration, and Risk Management's website.

If for some reason an Enterprise rental is not available, use of another vendor requires that the employee purchase the auto liability coverage, up to \$1 million, if available, and the collision damage coverage offered by the rental company. With this purchased coverage, the rental company's coverage is primary, then the state's coverage takes over with no involvement of the employee's insurance.

Workers Compensation will cover costs associated with accidents involving personal vehicles, but lost wages may exceed wage benefits and your own personal No Fault coverage may come into play due to use of your personal vehicle.

Please share this information with all concerned and let us know if you have any questions.