FY2023 Automobile Insurance Overview

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(07/01/2022 - 07/01/2023)

Risk Management Division (RMD)
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Other Risk Management Division Contacts

OVERVIEW OF AVAILABLE AUTOMOBILE COVERAGES
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.

I. Automobile Liability Coverage (Required)
All owned vehicles/units must be insured for Auto Liability insurance.

Limits as set by Minnesota Statute
- Bodily Injury & Property Damage – $500,000 Per Person
- Bodily Injury & Property Damage – $1,500,000 Per Occurrence
- Uninsured/Underinsured Motorist – $25,000 Per Person
- Uninsured/Underinsured Motorist – $50,000 Per Occurrence
- Personal Injury Protection – $20,000 Disability
- Personal Injury Protection – $20,000 Income Loss
- Damage to Rental Vehicles – $35,000
- Deductible – None
Coverage
To obtain new or renewal Auto Liability coverage, the completion of our Automobile Insurance Application is required. The Application gives us an accurate count of **YOUR OWNED VEHICLES OR VEHICLES YOU LEASE FROM AN AUTO LEASING FIRM (OTHER THAN ADMIN FLEET SERVICES)**. If the vehicles you are using are leased from Admin Fleet Services, there is no need to report them because insurance is included in the lease agreement.

All “self-propelled” units must be reported on the Application. 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 (e.g., paint strippers, street sweepers, road graders, ATV’s, mowers).*

Vehicle Rentals
If you lease a vehicle from a commercial car rental firm, you may have to report it on the Application, depending on the lease agreement. Usually, intermediate and long-term leases require the lessee to provide insurance for both liability and physical damage. Include these vehicles on the Application, with the exception of long-term leases from Enterprise Rent-A-Car Company.

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

II. Automobile Physical Damage Coverage (Optional)
Limit of Insurance
Actual Cash Value of Vehicle

Deductible Options*
$500 – Option 1;
$1,000 – Option 2

*Larger deductibles may be required for high-valued units or insureds with high exposure operations.*

Coverage
You may purchase optional Automobile Physical Damage coverage for Comprehensive and Collision losses. If you do not currently have this coverage and desire a quote, complete Auto Schedule (New Policyholders) and provide the requested information.

We will pay the cost to repair insured vehicles, subject to deductible options, as noted above. 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.

Vehicles leased from Admin Fleet Services are already covered by the Risk Management Fund (RMF), subject to the applicable deductible, which is the responsibility of the agency leasing the vehicle.

Verification of coverage is made by Vehicle Identification Number (VIN), so if the VIN is not on file, we will be unable to pay the claim.
Glass Claims
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. If glass is damaged during a collision, the selected deductible applies. The RMF pays first-dollar for glass damaged from non-collision related losses.

Vehicle Rentals
Regarding car rentals 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.

The State of MN Enterprise Rent-A-Car Company contract includes insurance coverage – Auto Liability and Auto Physical Damage (aka Collision Damage Waiver) – at no additional charge.

For all other daily or weekly rentals, employees should accept the insurance provided by the rental car company for both Auto Liability and Auto Physical Damage coverage (aka Collision Damage Waiver).

Fleet Coverage
If all vehicles are insured for physical damage 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.

Policy Changes
It is important that you notify the RMD of all changes to your fleet within 30 days of the change. The following agencies are exempt from reporting mid-term changes due to the large number of vehicles insured:

- Metropolitan Airports Commission
- Department of Natural Resources
- Fleet & Surplus Services

It is the policy of the RMD not to return premium for deleted vehicles. We will charge a pro-rated additional premium for vehicles added during the course of the year to cover the transaction costs incurred by the Division.

Other Information

Loss Reports
Loss reports are made available upon request.

Driver’s License Record Checks
Agencies must adopt and follow the Statewide Policy on Driver’s License and Record Checks, which includes annual driver’s license record checks for employees that drive while conducting state business. To learn more about the DLR Check process, please see the Driver’s License Record Check Guide and contact us at Risk.Management@state.mn.us with questions.
Agency to Agency Certificates of Insurance and Self-Insured Letters
Reminder: We discontinued issuing agency-to-agency certificates of insurance and self-insured letters in FY2011. 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. We will continue to honor agency-to-agency requests for evidence of insurance from quasi-state agencies.

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.

Appropriate Vehicle Travel Options
An Agency Guide for Determining Appropriate Vehicle Travel Options can be found in the Fleet Safety section of our website.

Sole Authority
The Risk Management Fund Claims Unit has sole authority with respect to the adjustment, coverage evaluation, and valuation of losses.

Publications and Resources
Auto insurance and fleet management resources are available on our website.

Contact us to discuss the renewal or to receive assistance with your other insurance needs. We are available to discuss by phone, Teams Meeting or in-person by appointment.