

1. Title

Automobile Insurance Coverage for Officers and Employees and General Requirements for the Use of Vehicles

2. Policy

Sec. 1 Purpose. The purpose of this policy is to outline the responsibilities and procedures covering the authorized use of University-owned and operated vehicles, procedures for updating the inventory of vehicles for insurance purposes, requirements for the use of vehicles, requirements for authorization of drivers, and procedures for reporting vehicle accidents. Each institution's chief business officer (CBO) is responsible for full implementation of the requirements outlined within this policy.

Sec. 2 Policy Statement. This policy serves as a comprehensive guide for University employees regarding the management of risk as well as operational and legal issues associated with the use of motor vehicles on University business.

Sec. 3 Insurance Coverage.

3.1 University-Owned Vehicles [including long-term (greater than six months) lease vehicles].

(a) Under the provisions of *Texas Civil Practice and Remedies Code* Section 101.027 and *Texas Government Code* Section 612.002, liability insurance has been purchased for officers and employees of the University covering liability arising from the use and operation of University-owned and operated vehicles while on official University business.

The Office of Risk Management procures any necessary insurance coverage and issues certificates of insurance.

(b) Automobile liability coverage is provided for authorized drivers of University-owned vehicles through the Systemwide automobile liability policy. Under the terms of the policy, the insurance company will periodically audit the inventory of vehicles covered.

(c) To assist in this audit, each institution's fleet contact shall update all vehicle information (additions, deletions, and changes) through The University of Texas System Risk Management Information System. When performing

updates, the fleet contact shall assign a Vehicle Classification Rating to each vehicle in accordance with the Motor Vehicle Classification Schedule that appears on Appendix A. Fleet contacts shall update their vehicle information as soon as possible after receiving information requiring an update.

3.2 Rental (Hired) Vehicles [including short-term (less than six months) lease vehicles].

(a) When an employee rents a vehicle from a rental company under contract with the Building and Procurement Commission (Contracted Company), liability, comprehensive, and collision insurance coverages are automatically provided. The Hired/Non-Owned policy provides coverage that is in excess of the insurance secured through the rental agreement.

(b) When a Contracted Company is not used, employees should purchase the collision damage waiver (this is a reimbursable expense). Please contact the U. T. System Office of Risk Management for an explanation of other coverage options, as some of these coverages are not reimbursable.

When an employee does not purchase the collision damage waiver the Hired/Non-Owned policy will provide excess liability, comprehensive, and collision coverage after applicable deductibles.

(c) Institutions must notify the U. T. System Office of Risk Management at least 48 hours prior to the trip if any rental vehicle is to be taken off road or if a vehicle is being rented or leased for extensive travel (travel outside of the 48 contiguous states or rented or leased for more than 30 days). The following information must be provided with the notification:

- i. dates insurance coverage is needed;
- ii. city and state where the vehicle is being rented;
- iii. name, address and phone number of the rental company;
- iv. make, model, license number, vehicle identification number and value of vehicle;

- v. names of the individuals that will be driving the vehicle;
and
 - vi. purpose of the rental.
 - (d) If renting a vehicle for use within the country of Mexico, refer to Section 3.6, Travel Outside of the United States of America, of this policy for additional information.
 - (e) If a leasing company requires a copy of the Certificate of Insurance before releasing the vehicle, then the institution needs to notify the U. T. System Office of Risk Management. The same information as mentioned in Section 3.2(c) is needed. The U. T. System Office of Risk Management will then notify the insurance company to request the certificate. Institutions shall develop internal procedures for centralizing these requests.
 - (f) If a rental vehicle is involved in an accident, both the driver and institution shall follow Section 7, Post Accident Claims Procedures, of this policy.
- 3.3 Rental (Hired) Charter Bus Vehicles [including short-term (less than six months) lease vehicles]. Chartered buses have inherent and unique exposures that require the contract charter company and any subcontractor bus companies to follow certain guidelines and insurance requirements. Institutions entering into agreements with charter or bus companies should follow the contract requirements as outlined in Appendix C under Item 5. Any questions about the guidelines and insurance requirements should be directed to the Office of Risk Management.
- 3.4 Personal (Non-University-Owned) Vehicles.
- (a) Employees are strongly discouraged from using personal vehicles for conducting official University business. Each institution is responsible for informing employees that their personal auto insurance will be primary at all times when the employee utilizes their own vehicle to conduct official University business. Additionally, each employee should be informed of the following:
 - i. that they must have a valid driver's license issued by the state where they permanently reside that is not currently suspended or revoked;

- ii. that they must carry auto liability insurance that meets the minimum requirements in their state of residence; and
 - iii. that the U. T. System Hired/Non-Owned policy of insurance is secondary to the employee's personal auto liability insurance in the event of any claim or litigation.
- (b) The Hired/Non-Owned policy provides liability-only coverage for employees using their personal vehicles while conducting official University business. This coverage is secondary to any personal auto insurance the employee has, and is only for property damage or bodily injury to third parties. It does not provide any physical damage coverage for damages sustained to the employee's vehicle. If an employee using his or her personal vehicle for official University business is involved in an accident, the institution shall notify the U. T. System Office of Risk Management by the next business day. Institutions and employees shall follow Section 7, Post Accident Claims Procedures, of this policy.

3.5 Other Insurance Coverages.

- (a) Insurance covering physical damage to a University-owned or leased vehicle is also available to institutions. This coverage is typically purchased for newer vehicles or when lease terms require physical damage insurance.
- (b) Insurance providing full coverage, which includes liability, uninsured motorist, underinsured motorist, physical damage, and personal injury protection coverages, is available to institutions as well. This coverage is most commonly purchased when a University-owned or leased vehicle is assigned to a particular employee or group of employees (e.g. Chief of Police, Physical Plant Director, etc.).

3.6 Travel Outside of the United States of America.

- (a) The Office of Risk Management has purchased an International Package Policy that provides coverage for autos used outside of the United States of America, its territories and possessions, Puerto Rico, and Canada. This policy provides liability and physical damage coverage for both owned private passenger vehicles and hired/non-owned vehicles. Most rental car agencies in foreign countries will require that their insurance be purchased in order to rent

their vehicles. The international auto insurance would be excess over the coverage that is purchased from the rental agency.

- (b) The Office of Risk Management has also purchased a Mexico Tourist Policy. When traveling into Mexico on official University business, U. T. System drivers must have in their possession a vehicle specific Mexico auto identification card and a copy of the Mexico Tourist Policy. These documents are required to be carried by Mexico law. The Mexico Tourist Policy provides liability and physical damage coverage for owned private passenger autos and hired vehicles, and liability for non-owned vehicles.
- (c) Each year prior to renewal of the Mexico Tourist Policy, institutions must advise the Office of Risk Management of any University-owned vehicles that will be used for Mexico travel throughout the year. Institutions must provide the year, make, model, and vehicle identification number of the vehicles they want listed on the policy. These institutions will be given a Mexico auto identification card for these vehicles as well as a copy of the policy. If a University-owned vehicle that was not submitted for the renewal is being used, contact the Office of Risk Management and provide the year, make, model, and vehicle identification number of the vehicle. The Office of Risk Management will supply a Mexico auto identification card and a copy of the policy.
- (d) Additionally, the Office of Risk Management has obtained approval from AVIS and Enterprise Rent-A-Car allowing the University to use its Mexico Tourist Policy to cover their rented vehicles when traveling into Mexico. When renting a vehicle in Texas for use in Mexico from either of these two vendors, the employee making the reservation for the rental vehicle should contact the Office of Risk Management with the name of the driver(s) and the dates they will be using the rental car in Mexico. The Office of Risk Management will provide the institution with a Mexico auto identification card. The spaces on the card for the vehicle description and identification number will be blank. The driver(s) needs to ensure that they enter the vehicle description and identification number of the vehicle they are renting on the Mexico auto identification card before leaving the rental agency. The Office of Risk Management will also provide the institution with a copy of the University's approval letter from

either AVIS or Enterprise Rent-A-Car. The employee should take the Mexico auto identification card, the Mexico Tourist Policy, and the approval letter with them to the rental counter. The driver(s) should keep the rental contract, Mexico auto identification card and Mexico Tourist Policy in the rental car at all times while in Mexico.

Sec. 4 Institution Fleet Safety Programs. To reduce the risk of accidental loss associated with the use of vehicles by the University, each institution shall adopt a comprehensive fleet safety program to include policies and procedures for the following: minimum driver standards; driver's motor vehicle record checks for authorized drivers and potential drivers; post accident reviews and remedial actions; driver training; drug and alcohol testing for drivers of commercial motor vehicles; and other policies and procedures consistent with the State Vehicle Fleet Management Plan and this policy.

Sec. 5 Requirements for the Authorization of Drivers.

5.1 Limitations. Authorization of drivers for the use of vehicles for official University business shall be limited to employees of the University unless otherwise approved in writing by the U. T. System Office of Risk Management or the CBO as specified below. The CBO may use his/her discretion to approve the limited use of any University-owned, leased, or rented motor vehicles for official University business. This approval authority applies only to

(a) third-party contractors utilizing University-owned vehicles for the purpose of meeting its responsibilities under a University contract. All contracts that may allow the use of University-owned vehicles by non-employees shall be reviewed by U. T. System Office of Risk Management to ensure that adequate transfer of liability is included in the contract language; and

(b) use of University-owned vehicles by nonstudent volunteers.

5.2 Authorized Driver. The CBO shall ensure that any approval given to operate a University-owned or leased vehicle must meet all requirements of an authorized driver as described in this policy. Students shall not be granted authority to drive.

5.3 Authorized Driver List. Each institution shall maintain a list of all authorized drivers of University-owned vehicles (listed alphabetically) to include all of the following:

- (a) driver's name (as it appears on his or her license);
- (b) driver's license number;
- (c) date of birth;
- (d) driving status (acceptable or not acceptable);
- (e) date of last training/counseling; and
- (f) notations regarding any misconduct with the vehicle, any reprimands concerning his or her driving, any positive remarks regarding his or her safe driving.

5.4 Motor Vehicle Record (MVR) Checks.

- (a) Before employing a person as an authorized driver of a University-owned vehicle for official University business, each institution shall request a Motor Vehicle Report showing a history going back at least 36 months that lists all convictions for traffic violations issued to the potential employee and a verification that the person has a valid driver's license issued by the state in which the person permanently resides. Incumbent authorized drivers will have their MVR checked by their respective institution
 - i. at least every twelve months after initially authorized; or
 - ii. promptly after the employee has been involved in an automobile accident while driving on official University business; and
 - iii. promptly after the employee receives a moving traffic citation while on official University business.
- (b) Authorized drivers and persons seeking a position that requires authorization to operate a University-owned vehicle for official University business will be evaluated on the most recent three-year history reflected on their MVR and points will be assigned by the institution according to Appendix B. If the total points equal four or more for the immediately preceding 36 months, the person shall not be authorized to operate a University-owned vehicle for official University business. As noted above, if an institution is unable to obtain a driving record for the preceding 36 months, the institution's CBO may use his/her discretion to authorize the employee to

operate a University-owned vehicle for official University business.

(c) See Appendix B, MVR Points Schedule.

5.5 Reporting Responsibilities.

(a) An authorized driver of a University-owned vehicle shall immediately report to his or her supervisor a suspension or revocation of the driver's license or any Type A violation as defined in this policy including the nature of the charge, the pleas entered by the driver, the scheduled court date, and the findings of the court. An employee who fails to provide required notice shall be subject to disciplinary action up to and including dismissal. Additionally, an authorized driver shall promptly report to his or her supervisor if the driver has been involved in a Type B violation as defined by this policy or an at-fault automobile accident while operating a University-owned vehicle for official University business.

(b) An employee who operates a University-owned, rented, leased, or personal vehicle for official University business at a time when his or her license was suspended or revoked, shall be subject to disciplinary action up to and including dismissal.

5.6 Driver Training. Each institution shall require driver training for each authorized driver of University-owned vehicles at least every three years. Driver training may include, but is not limited to

(a) defensive driving;

(b) one-day seminars on driving improvement;

(c) driver training videos on specific driving skills in which the driver may be deficient; or

(d) hands-on, behind-the-wheel training.

Sec. 6 Operation of 12 and 15-Passenger Vans.

6.1 Requirements. Institutions shall ensure the following regarding the use of 12 and 15-passenger vans:

(a) require that 12 and 15-passenger vans be operated only by experienced, authorized drivers who understand and are

familiar with the handling characteristics of the vans, especially when the van is fully loaded. This shall include having all operators of 12 and 15-passenger vans attend van-specific training, including behind-the-wheel on-the-road training. Each institution shall require specialized driver training for each driver of University-owned, rented, or leased 12 and 15-passenger vans at least every three years;

- (b) 12 and 15-passenger vans shall not be used to carry more than nine occupants (including the driver) at any one time, except as provided in the following sentence. At the discretion of the institution's CBO, an institution may use a 12 and 15-passenger van to carry between 10 and a maximum of 15 occupants (including the driver) on inner-campus, nonpublic streets only, provided that: (1) the van does not cross over or travel on public streets; and (2) the van is not driven at a speed in excess of the posted campus speed limit, or in excess of 15 mph if there is no posted campus speed limit;
- (c) require seat belt use at all times by all occupants of 12 and 15-passenger vans;
- (d) require proper loading of vehicles. Consult the owner's manual to determine the maximum load for the vehicle and the proper distribution of that load. Passengers shall be seated only in recognized seats and in an arrangement designed to spread out the load. Luggage shall be placed in the rear behind the last seat and shall not be allowed on the roof when the van is being operated;
- (e) require that tires be inspected to assure they are properly inflated and not worn;
- (f) limit the number of total hours a driver may operate the vehicle to no more than 10 hours in any 24-hour period. Trips requiring more than ten hours driving time to reach a point of destination will require overnight lodging;
- (g) van drivers shall take a mandatory 30-minute rest break every four hours; and
- (h) for trips scheduled for longer than two hours, assign a navigator to assist each driver. The navigator must stay awake while on duty.

- 6.2 Special 12-Passenger Van Provisions for Newer Vehicles. Institutions that purchase or rent a 12-passenger van that meets all of the following criteria may forgo the nine-passenger-only limitation:
- (a) 12-passenger vans must not be a converted, modified, or otherwise altered 15-passenger van;
 - (b) 12-passenger vans must have a wheel base of approximately 135 inches or more;
 - (c) 12-passenger vans must not have the ability to seat more than 12 passengers including the driver and have assigned seatbelts for each seat;
 - (d) 12-passenger vans must be equipped with an Electronic Stability Control (ESC) or Traction Control System (TCS); and
 - (e) 12-passenger vans should also be equipped with other safety features, such as front and side curtain air bags, antilock brakes, and a tire pressure monitoring system.
- 6.3 Commercial Driver's License (CDL).
- (a) A CDL is required of authorized drivers who operate commercial motor vehicles (CMVs) for official University business if one of the following conditions is met:
 - i. has a gross combination weight rating of 11,794 kilograms or more (26,001 pounds or more) inclusive of a towed unit(s) with a gross vehicle weight rating of more than 4,536 kilograms (10,000 pounds);
 - ii. has a gross vehicle weight rating of 11,794 or more kilograms (26,001 pounds or more);
 - iii. is designed to transport 16 or more passengers, including the driver; or
 - iv. is of any size and is used in the transportation of hazardous materials as defined in 49 U.S.C. 5103 and is required to be placarded under 49 *Code of Federal Regulations* (CFR), Part 172, Subpart F.
 - (b) In accordance with the U.S. Department of Transportation's Federal Motor Carrier Safety Regulations, 49 CFR Parts 40

and 382, employers shall test drivers holding a CDL for drugs and alcohol. The regulations call for preemployment, post accident, reasonable suspicion, random, return-to-duty, and follow-up drug and alcohol testing. Institutions with authorized drivers who are required to hold a CDL shall adopt a drug and alcohol-testing program that meets the regulatory requirements.

- Sec. 7 Post Accident Claims Procedures. Reporting procedures shall be established by each institution to ensure authorized drivers understand their post accident claim handling and reporting responsibilities and to ensure that the CBO or designee is immediately made aware of any incidents that could lead to a claim under any automobile insurance policy purchased by or for the benefit of the institution.

An ACORD Automobile Loss Notice Report Form should be completed for each accident.

The Office of Risk Management will assist with processing claims and may request additional information needed from the institutions related to claims processing after an accident.

7.1 Driver Responsibilities.

- (a) While at the scene of the accident, authorized drivers shall attempt to obtain as much information as possible, including the license plate number of any vehicles at the scene, and insurance information from the other parties involved in the accident. As soon as possible, the authorized driver shall provide this information to his or her institution's fleet contact.
- (b) Authorized drivers of University-owned vehicles should advise other parties involved in the accident that the accident will be reported to the University's insurance company who will be in contact with the claimant. Authorized drivers should not make any representations regarding insurance coverage or admit fault to other parties involved in the accident, because the insurance adjuster will make the determination of coverage available under the insurance policy and assess liability.

7.2 Institution Responsibility.

- (a) The current procedures for reporting Domestic, International, and Mexico Auto claims (or possible claims) to the insurance

carrier can be found here:

<http://utsystem.edu/orm/riskfinance/rfautoclaim.htm>

- (b) It is important for the insurance company to know clearly and as soon as possible, all factual information about the accident. If the facts lead the driver or the fleet contact to the opinion that the University is not at fault, clearly state that information when submitting the claim. If fault is questionable, the driver or fleet contact should provide supporting information to assist the insurance company with its investigation.
- (c) The U. T. System Office of Risk Management or the insurance company may request additional information needed for their files or for further processing.
- (d) Authorization for repairs will not be given until the claim is reviewed by the insurance company.

3. Definitions

Authorized Driver - an employee of The University of Texas System (University) who is eligible to operate a University-owned vehicle for official University business is an authorized driver. To be eligible, an employee must hold a valid driver's license issued by the state where the employee permanently resides, have an acceptable driving record, and have the necessary driver training.

Commercial Motor Vehicle (CMV) - the U.S. Department of Transportation - Federal Motor Carrier Safety Administration defines a CMV as any self-propelled or towed motor vehicle used on a highway in interstate commerce to transport passengers or property when the vehicle

1. has a gross combination weight rating of 11,794 kilograms or more (26,001 pounds or more) inclusive of a towed unit(s) with a gross vehicle weight rating of more than 4,536 kilograms (10,000 pounds);
2. has a gross vehicle weight rating of 11,794 or more kilograms (26,001 pounds or more);
3. is designed to transport 16 or more passengers, including the driver; or
4. is of any size and is used in the transportation of hazardous materials as defined in 49 U.S.C. 5103 and is required to be placarded under 49 CFR, Part 172, Subpart F.

Employee - a person employed in the service of the University under an appointment or oral or written express contract for hire whose name appears on the payroll of a U. T. System institution or U. T. System Administration.

Institution - these include The University of Texas at Arlington, The University of Texas at Austin, The University of Texas at Brownsville, The University of Texas at Dallas, The University of Texas at El Paso, The University of Texas - Pan American, The University of Texas of the Permian Basin, The University of Texas at San Antonio, The University of Texas at Tyler, The University of Texas Southwestern Medical Center, The University of Texas Medical Branch at Galveston, The University of Texas Health Science Center at Houston, The University of Texas Health Science Center at San Antonio, The University of Texas M. D. Anderson Cancer Center, The University of Texas Health Science Center at Tyler, and U. T. System Administration.

Official University Business (as it relates to operating a motor vehicle) - driving a vehicle during the course and scope of employment for the University regardless of the frequency of driving or operating duties.

University-Owned Vehicle - a vehicle to which the University holds title or a vehicle leased by the University for more than six months.

Vehicle - equipment of a motorized, vehicular nature, which requires a state driver's license to operate. This does not include riding lawnmowers or other vehicles that normally operate off public thoroughfares, except for incidental crossing of a public roadway.

4. Relevant Federal and State Statutes

U.S. Department of Transportation's Federal Motor Carrier Safety Regulations, 49 CFR Parts [40](#) and [382](#) and [383](#)

Texas Department of Public Safety, 37 TAC, Chapter 16

5. Relevant System Policies, Procedures, and Forms

INT114, Travel Policy, Section 9.1(b)iii Additional Charges

[Rental Cars](#)

Board of Regents' *Rules and Regulations*, Rule 50601, [Student Travel](#)

Appendix A: Motor Vehicle Classification Schedule

http://www.utsystem.edu/policy/forms/uts157/Motor_Vehicle_Classification.pdf

Appendix B: MVR Points Schedule

http://www.utsystem.edu/policy/forms/uts157/MVR_Points.pdf

Appendix C: Contract Guidance, Insurance and Rating Check Requirements for Charter Bus Companies

http://www.utsystem.edu/policy/forms/uts157/Charterbus_Contract_Guidelines.pdf

6. Who Should Know

Chief Business Officers
Physical Plant Directors
Institutional Travel Contacts
Institutional Fleet Contacts
Risk Management Advisory Committee
Authorized Drivers

7. System Administration Office(s) Responsible for Policy

Office of Risk Management

8. Dates Approved or Amended

May 7, 2002
June 17, 2009
June 14, 2011
Editorially Amended October 4, 2011

9. Contact Information

Questions or comments about this policy should be directed to:

- bor@utsystem.edu