



UT System Administration Policy Library – Policy UTS157
**Automobile Insurance Coverage for Officers
and Employees and General Requirements
for the Use of Vehicles**

Responsible Officer: Executive Vice Chancellor for Business Affairs

Sponsoring Office: Office of Risk Management

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POLICY STATEMENT

The purpose of this policy is to outline insurance policies covering the authorized use of University-owned and operated vehicles, procedures for updating the inventory of vehicles and related information, requirements for the use of vehicles, requirements for authorization of drivers and procedures for reporting vehicle accidents or occurrences. Each institution's Chief Business Officer is responsible for full implementation of the requirements outlined within this policy.

RATIONALE

This policy serves as a comprehensive guide for University employees in regards to the management of risk as well as operational and legal issues associated with the use of motor vehicles on University business.

SCOPE

All institutions and UT System Administration

WEBSITE ADDRESS FOR THIS POLICY

<http://www.utsystem.edu/policy/policies/uts157.html>

RELATED STATUTES, POLICIES, REQUIREMENTS OR STANDARDS

UT System Administration Policies & Standards	Other Statutes, Policies & Standards
<ul style="list-style-type: none">• Rental Cars	<i>US Department of Transportation's Federal Motor Carrier Safety Regulations, 49 CFR Parts 40 and 382 and 383</i>

<ul style="list-style-type: none"> • Student Drivers 	
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CONTACTS

If you have any questions about UT System Administration Policy UTS 157, Automobile Insurance Coverage for Officers and Employees and General Requirements for the Use of Vehicles, contact the following offices:

Subject	Office Name	Telephone Number	Email/URL
Insurance and Reporting	UT System Office of Risk Management	512-499-4524	http://www.utsystem.edu/orm/
Travel related issues	UT System Travel Services	(512) 322-3725	http://www.utsystem.edu/travel/

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. 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 vehicle weight rating or gross combination weight rating of 4,537 kg (10,001 lb) or more; whichever is greater; or
- 2) Is designed or used to transport more than 8 passengers (including the driver) for compensation; or
- 3) Is designed or used to transport more than 15 passengers, including the driver, and is not used to transport passengers for compensation; or

- 4) Is used in transporting material found by the Secretary of Transportation to be hazardous under 49 U.S.C. 5103 and transported in a quantity requiring placarding under regulations prescribed by the Secretary under 49 CFR, subtitle B, chapter I, subchapter C.

Institution: These include U.T. Arlington, UT Austin, UT Brownsville, UT Dallas, UT El Paso, UT Pan American; UT Permian Basin, UT San Antonio, UT Tyler, UT Southwestern Medical Center Dallas, UT Medical Branch Galveston, UT Health Science Center Houston, UT Health Science Center San Antonio, UT M.D Anderson Cancer Center, UT Health Center Tyler, and UT System Administration.

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 UT System institution or UT System Administration.

Official University Business (as it relates to driving): 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 one year.

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.

RESPONSIBILITIES

UT Institution's Fleet Contact

- Updates all vehicle information (additions, deletions and changes) through the STARS Risk Management Information System.

UT Institution's Authorized Driver

- Reads and complies with this policy.

UT Institution's Chief Business Officer (CBO)

- Responsible party for full implementation of the requirements outlined within this policy. May use his/her discretion to approve the limited use of any University owned motor vehicles in accordance with this policy.

UT Institution

- Adopts a comprehensive fleet safety program that is consistent with Appendix B of this policy.
- Notifies the UT 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).
- Notifies the UT System Business and Administrative Services Office if a rental or leasing company requires a copy of the Certificate of Insurance before releasing the vehicle.
- Establishes accident reporting procedures and follows the post accident claims reporting procedures in this policy including if a rental vehicle is involved. Completes an ACORD Automobile Loss Notice Report Form for each accident.
- Maintains a list of all authorized drivers of University-owned vehicles.
- Conducts Motor Vehicle Records checks and evaluate driving history of authorized drivers and applicants as provided for in this policy. (This includes making requests a list of convictions for traffic violations from the Texas Department of Public Safety.)
- Requires driver training for each authorized driver of University-owned vehicles at least every three years.
- Tests drivers holding a Commercial Driver’s License for drugs and alcohol.

UT System Office of Risk Management

- Reviews third-party contracts that may allow the use of University owned motor vehicles by non-employees to ensure adequate transfer of liability is included in the contract language.
- Assists with processing claims and requests any additional information needed from the institutions related to claims processing after an accident.
- Procures any necessary Insurance coverage and issues certificates of insurance.
- Provides guidance on the interpretation of this policy.

PROCEDURES

1. INSURANCE COVERAGE

University-Owned Vehicles (including long-term (>1 yr.) lease vehicles)

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.

Automobile liability coverage is provided for authorized drivers of University-owned vehicles through the "System-wide" automobile liability Policy. Under the terms of the policy, the insurance company will periodically audit the inventory of vehicles covered.

To assist in this audit, each institution's Fleet Contact shall update all vehicle information (additions, deletions and changes) through the UT 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.

2. Rental (Hired) Vehicles (including short-term (<1 yr.) lease vehicles)

When an employee rents a vehicle from a rental company under contract with the Building and Procurement Commission, 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.

When a contracted company is not used, employees should not waive the physical damage insurance coverage offered by the non-contract company. However, when an employee inadvertently waives insurance, the Hired/Non-Owned policy will provide liability, comprehensive and collision coverage on a primary basis.

Institutions must notify the UT 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:

- Dates insurance coverage is needed;
- City and state where the vehicle is being rented;
- Name, address and phone number of the rental company;
- Make, model, license number, vehicle identification number and value of vehicle;
- Names of the individuals that will be driving the vehicle; and
- Purpose of the rental.

If a rental or leasing company requires a copy of the Certificate of Insurance before releasing the vehicle, then the institution needs to notify the UT System Office of Risk Management. The same information as mentioned above is needed. UT System Office of Risk Management will then notify the insurance company to request the certificate. Institutions shall develop internal procedures for centralizing these requests.

If a rental vehicle is involved in an accident, both the driver and institution shall follow the post-accident claims procedures in this policy.

Personal (Non-University Owned) Vehicles

Employees are strongly discouraged from using personal vehicles for conducting official University business. The "Hired/Non-Owned" policy provides liability coverage only for employees using their personal vehicles while conducting official University business. The liability coverage in this case applies only as a secondary coverage to the employee's personal auto policy.

If an employee using his or her personal vehicle for official University business is involved in an accident, the institution will need to notify the UT System Office of Risk Management by the next business day by calling 512-499-4559. Institutions and employees shall follow the post accident claims procedures in this policy if a personal vehicle is involved in an accident while being used for official University business.

Other Insurance Coverages

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.

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.).

Insurance coverage for vehicles traveling into Mexico is obtained on an as-needed basis. Coverage should be secured through the UT System Office of Risk Management in order to ensure sufficient and consistent coverage.

Institutions can obtain quotes for the insurance listed above by contacting the UT System Office of Risk Management office at 512-499-4524.

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.

REQUIREMENTS FOR THE AUTHORIZATION OF DRIVERS

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 UT System Office of Risk Management, or the Chief Business Office on as specified below.

The Chief Business Officer (CBO) may use his/her discretion to approve the limited use of any University owned or leased or rented motor vehicles for official University business. This approval authority applies only to:

- 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 UT System Office of Risk Management to ensure that adequate transfer of liability is included in the contract language.
- Use of University owned vehicles by non-student volunteers

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.

Each institution shall maintain a list of all authorized drivers of University-owned vehicles (listed alphabetically) to include:

- Driver's name (as it appears on his or her license)
- Driver's license number
- Date of birth
- Driving status (acceptable or not acceptable)
- Date of last training/counseling
- Notations regarding any misconduct with the vehicle, any reprimands concerning his or her driving, any positive remarks regarding his or her safe driving

Motor Vehicle Record (MVR) Checks

Before employing a person as an authorized driver of a University-owned vehicle for official University business, each institution shall request from the Texas Department of Public Safety a list of convictions for traffic violations contained in the department records on 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:

- At least every twelve months after initially authorized;
- Promptly after the employee has been involved in an automobile accident while driving on official University business; and

- Promptly after the employee receives a moving traffic citation while on official University business.

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 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 three-year driving record history, the institution's CBO may use his/her discretion to authorize the employee to operate a University-owned vehicle for official University business.

See Appendix B, MVR Points Schedule

Reporting Responsibilities

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.

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.

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:

- Defensive driving;
- One-day seminars on driving improvement;
- Driver training videos on specific driving skills in which the driver may be deficient; or
- Hands-on, behind-the-wheel training.

OPERATION OF 15-PASSENGER VANS

Institutions shall ensure the following regarding the use of 15-passenger vans:

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- Require that 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 operators of 15-passenger vans attend van-specific training, including behind the wheel on the road training.
- 15-passenger vans shall not be used to carry more than 9 occupants (including the driver) at any one time, except as provided in the following sentence. At the discretion of the institution's Chief Business Officer, an institution may use a 15-passenger van to carry between 10 and a maximum of 15 occupants (including the driver) on inner-campus, non-public 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.
- Require seat belt use at all times by all occupants of 15-passenger vans.
- 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.
- Require that tires be inspected to assure they are properly inflated and not worn.
- Limit the number of total hours a driver may drive to no more than ten hours in any twenty-four hour period. Trips requiring more than ten hours driving time to reach a point of destination will require overnight lodging.
- Van drivers shall take a mandatory thirty-minute rest break every four hours.
- For trips scheduled for longer than 2 hours, assign a navigator to assist each driver. The navigator must stay awake while on duty.

Commercial Drivers License (CDL)

A CDL is required of authorized drivers who operate commercial motor vehicles (CMVs) for official University business.

In accordance with the US 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 pre-employment, 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.

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 Chief Business Officer, or designee, is immediately made aware of any incidents

that could lead to a claim under any automobile insurance coverage purchased by or for the benefit of the institution.

Driver Responsibilities

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.

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 to other parties involved in the accident, because the insurance company's adjuster will make the determination of coverage available under the insurance policy.

Institution Responsibility

The current procedure for reporting claims (or possible claims) to the insurance carrier is to complete an ACORD Automobile Loss Notice Report Form for each accident. Under the heading "Insured Vehicle," on the line "Owner's Name and Address", the fleet contact shall ensure the appropriate institution's identification number and name are indicated and that sufficient and accurate details are provided on the ACORD form before faxing it to the insurance company, the insurance agent and the UT System Office of Risk Management at 512-499-4524. The names and phone numbers for the insurance company, insurance agent and the U T System Office of Risk Management contact will be provided to each institution's Office of Business Affairs at the beginning of each policy year.

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 on the form. If fault is questionable, the driver or fleet contact should provide supporting information to assist the insurance company with making a determination of fault.

The UT System Office of Risk Management or the insurance company may request additional information needed for their files or for further processing.

Authorization for repairs will not be given until the ACORD form is reviewed by the insurance company.

FORMS AND TOOLS/ONLINE PROCESSES

None

APPENDIX

[Appendix A – Motor Vehicle Classification Schedule](#)

[Appendix B - MVR Points Schedule](#)

Appendix A: Motor Vehicle Classification Schedule

Description	Vehicle Rating	Radius of Operation 1-Used on campus 2-Less than 50 miles 3-Between 51 and 200 miles 4-Over 200 miles
Passenger Automobiles (Includes Station wagons)	C1.3	
Trucks 0-10,000 Gross Vehicle Weight 10,000-20,000 Gross Vehicle Weight	7906(A) 014990 015990 016990 7906(B) 214990 215990 216990	1 2 3 4 1 2 3 4
Trailers Service Trailers-2 wheels 2,000 lbs. load capacity or less	693990 694990 695990 696990	1 2 3 4
Tandem or Lowboy Semi-Trailers Dual rear or single rear axle-pulled by truck tractors	673990 674990 675990 676990	1 2 3 4
Four-Wheel Trailers Wheels front and rear/2,000 lbs. load capacity or more	683996 684996 685996 686996	1 2 3 4
Trailers with Special Equipment Mounted such as concrete mixers, asphalt heaters or sprayers, air compressor sprayers, pump and engine units, electric welders, generators and riding lawn mowers	7906(C)	
Buses 1-8 passengers 9-20 passengers 21-60 passengers Over 60 passengers	6281 6282 6283 6284	

Motorcycles and Scooters 0-100 cc engine size/electric 101-200 cc 201-360 cc 361-500 cc 501-800 cc 801-1,000 cc) Over 1,000 cc	7942(A) 7942(B) 7942(C) 7942(D) 7942(E) 7942(F) 7942(G)	
Fire Trucks	7909	
Ambulances	7913	
Law Enforcement Vehicles Passenger Autos Trucks Motorcycles Electric Scooters	7911 7912 7942 7942	
Special or Multipurpose Vehicles used both to provide mobility to the special equipment mounted thereon and for transportation of property and materials other than the special equipment such as winch trucks, flex lifts, ladder trucks, trucks with air compressors or hoists and cherry pickers	7906(D)	
Motor Vehicles self-propelled, other than those included in the categories above such as motor graders, tractor-mowers, fork lifts, rollers, draglines, crawler tractors, sweepers, tractors, pull mowers, front-end loaders, hydroseeders, core drills, mulch spreaders, paint stripe machines, maintenance units, backhoes, and power shovels	7906(E)	
Industrial Vehicles (campus use only)	7906(F)	
Motor Home (more than 22')	7961	
Golf Carts Licensed Campus use only	9460(A) 9460(B)	

Appendix B: MVR Points Schedule

Type A Violations - Convictions for Type A violations count as four (4) points against an authorized driver's or applicant's record. Type A violations include:

Criminal negligent homicide - 1st or 2nd degree	Murder - with motor vehicle
Driving while intoxicated	Reckless driving
Driving while under the influence of drugs	Fleeing from police officer
Drag Racing / Speeding Contest	Felony use of CMV - controlled substance
Aggravated Assault with motor vehicle	Felony use of Commercial Motor Vehicle (CMV)
Driving while license suspended	Driving while license disqualified - CMV

For the purposes of this policy, the definition of a DUI/DWI conviction means: being convicted, receiving a probated sentence, or pleading no contest for driving a commercial or non-commercial vehicle under the influence of alcohol or drugs, or while intoxicated.

Type B Violations - Convictions for Type B violations count as one (1) point against an authorized driver's or applicant's record. Type B violations are all moving traffic violations not listed above as a Type A violation. Type B violations do not include non-moving administrative offenses (examples: out-dated inspection stickers, no proof of insurance, license plate missing).

At-Fault Accidents - Each at-fault accident counts as two (2) points. If a moving traffic violation conviction appears on a driving record along with an accident on the same date, this usually means that person was at-fault in the accident. Accidents shall be reviewed and the insurance company and each institution's business office, or other office designated by the CBO, shall make a determination if there is an at-fault question. Accident reports may be obtained from the Texas Department of Public Safety

Keywords: automobile insurance, employees, vehicles, car insurance, car, cars, automobiles, automobile, vehicle, vehicles
