



State of Idaho

Department of Administration
Division of Insurance and Internal Support
Risk Management Program

Use of Personal Autos on State Business

Questions regarding the use of a state employee's personal vehicle on state business are some of the most frequent calls received by the Risk Management Program. Some of the typical questions are: Whose insurance is primary when a state employee is driving his or her own vehicle on state business? Who pays the medical bills incurred by an employee driver if the driver is injured in an automobile accident while driving on state business?

The answers to these questions are based on the individual facts of each case, but typically, **coverage for liability follows the vehicle being driven, not the person driving.** This means an employee's personal vehicle insurance is primary and must respond first in the event of a covered claim involving property damage or personal injury to a third party alleged to have been caused by negligent actions of the employee driver. The state employee must advise his or her private automobile insurance carrier prior to using a personal vehicle for state business, particularly when using the personal vehicle on a regular basis to perform state job duties. This may help to avoid the possibility of the private carrier denying a claim that might otherwise be covered. The employee's private insurance carrier will assess premium charges for the exposure it is insuring. The mileage allowance reimbursed to an employee contemplates insurance as well as the other expenses relating to the use of the vehicle.

If an employee's automobile liability carrier pays a covered third party liability claim on behalf of the employee for negligent actions, and the judgment exceeds the maximum liability limits carried on employee's vehicle, the State of Idaho's automobile liability coverage *may* provide additional payment to satisfy the balance of the judgment depending on the facts of the loss. For the state's liability coverage to apply as *excess* to the employee's own primary policy **the state employee driver must be within course and scope of state employment, and furthering a state objective at the time of the accident.**

A state employee who is injured or unable to work as a result of a job related automobile accident would typically have the sole remedy of Workers' Compensation benefits provided by the Idaho State Insurance Fund. A First Report of Injury should be completed and sent to the SIF for their consideration. Any authorized passengers who are not state employees and are injured as a result of an employee driver's negligence should file a claim with the employee's private automobile insurance carrier.

Agencies should keep the following in mind if any employees drive personal automobiles on state business:

- Check driver's licenses annually to be sure they are current, and without violations.
- Check to be certain that employees have auto liability in effect with their private carriers. If they are uninsured or underinsured, they expose the state to greater risk. Agencies should set minimum acceptable limits of liability coverage.

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- Be clear in the scope of use permitted. Use should be consistent with the state travel policy. Employees should be aware that once they deviate from their state approved business, they may no longer qualify for state benefits.
- Advise employees that any mileage allowance is intended to cover all operating costs of the vehicle, including insurance, while on state business.
- The state is not responsible for physical damage to an employee's personal automobile, unless damage was caused by the state's negligence. It is the responsibility of employees to obtain auto physical damage insurance (comprehensive and collision coverages) for their own vehicles if they desire such coverage. The state does not provide this type of coverage for employees' personal vehicles.