

<h1>MANAGEMENT MEMO</h1>	NUMBER: 24-01	
	EFFECTIVE DATE: JULY 1, 2024	
SUBJECT: STATE MOTOR VEHICLE INSURANCE ACCOUNT 2024-25 FISCAL YEAR ASSESSMENT		
ISSUING AGENCY: DEPARTMENT OF GENERAL SERVICES	EXPIRES: END OF FISCAL YEAR	SUPERSEDES: 23-01

Purpose

To provide state agencies information on their State Motor Vehicle Insurance Account (SMVIA) assessment for the 2024-25 Fiscal Year (FY).

Authority

Government Code Sections [11290 \(a\)](#), [16378](#), [16379](#)

State Administrative Manual (SAM) [2420](#), [0751](#), [0752](#), [0753](#), [2430](#), [4122](#)

Definitions

None.

Policy

Pursuant to SAM Section [2420](#), the Department of General Services (DGS) administers the State Motor Vehicle Liability Self-Insurance Program (VELSIP), which provides unlimited self-insured liability coverage for the state, agencies, and employees who operate covered self-propelled land vehicles on state business.

Background

DGS administers the SMVIA which is funded through assessments charged to state agencies that utilize vehicles/equipment for their operations.

SMVIA funds are utilized to pay claims for damages as a result of the ownership or operation of motor vehicles used in the course and scope of state employment. The assessment reflects the projected amount to be expended to pay claim settlements and administrative expenses such as adjusting and defense costs. Rising costs for medical and legal services as well as higher settlements and verdicts are reflected in the assessments.

The 2024-25 FY assessment calculations are based on each state agency’s claim experience for the last five calendar years ending December 31, 2023.

STATE ADMINISTRATIVE MANUAL

State agencies that own more than 300 vehicles are rated on their own claims experience; State agencies with fewer than 300 vehicles are generally grouped together in an “All Other Departments” and experience rated as though they were one entity.

Appendix A reflects the 2024-25 FY assessments for 24 separately rated departments and the All Other Departments.

The assessment for the All Other Departments category will be distributed to departments in this group on a per vehicle basis using the reported vehicle inventory as of December 31, 2023, from the DGS Office of Fleet and Asset Management. For FY 2024/25, the average rate for this group is calculated at \$836 per vehicle.

Responsibilities

State agencies can help minimize and/or reduce losses by following state policies and recommended practices on vehicle use and operator requirements:

Driver’s License and Record Verification (SAM section [0751](#))

Employees who operate vehicles on official business must have a valid driver’s license and a good driving record.

DMV – Employer Pull Notice Program (SAM section [0751](#))

Agencies shall participate in the Department of Motor Vehicles (DMV) “Pull Notice Program” if they have employees who operate vehicles on official business as a condition of employment for Class A, B, or Class C drivers’ licenses with special certificates.

Authorized Driver’s

- State employees, 18 years of age or older, with a valid driver’s license, insurance, and a good driving record.
- Students and volunteers operating vehicles on official State business.

Vehicle Telematics (SAM section [4122](#))

Global Positioning Satellite (GPS) telematics devices provide information which is vital for proper fleet management and driver safety. Telematics devices enable efficient fleet management by providing real time vehicle usage data such as miles traveled, fuel consumption, electric vehicle charging and potential cost savings opportunities.

Defensive Driver Training (SAM sections [0751](#) and [0752](#))

Employees who operate vehicles on official business shall attend and successfully complete an approved DGS defensive driver training (DDT) course at least every four years. Due to a reorganization in 2023-24, DGS removed DDT from the MVIA. Departments are issued a separate assessment for this service.

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Use of Private Vehicles on State Business (SAM section [0753](#))

Employees operating their private vehicle on official business must complete a STD. 261, Authorization to Use Privately Owned Vehicles on State Business. This form certifies liability insurance for the minimum financial responsibility limits as set forth in statute. The following minimum amounts of auto liability insurance coverage are required by California state law:

- \$ 15,000 for personal injury to, or death of, one person
 - \$ 30,000 for personal injury to two or more persons in one accident, and
 - \$ 5,000 for property damage
- Additionally, the employee certifies the vehicle is adequate for the work, equipped with operating safety belts and is in safe mechanical condition.

Reporting Accidents (SAM section [2430](#))

Report all vehicle accidents within 2 business days to the Office of Risk & Insurance Management (ORIM) using the STD. 270, Vehicle Accident Report form.

Resources

- [STD 270 – Vehicle Accident Report form](#)
- [DMV Employer Pull Notice Program](#)
- [ORIM Motor Vehicle Claims Unit website](#)
- [Defensive Driver Training](#)

Contact Information

Questions concerning the **State Motor Vehicle Insurance Account 2024-25 Fiscal Year Assessment** should be directed to:

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Approval



Ana M. Lasso, Director
Department of General Services

STATE ADMINISTRATIVE MANUAL

APPENDIX A

Department	2024-25 Assessment	2023-24 Assessment
Cal Fire	\$3,432,299	\$3,013,425
Conservation Corps	\$191,305	\$85,913
Consumer Affairs	\$570,470	\$571,241
Corrections	\$5,818,163	\$3,696,264
Developmental Services	\$16,612	\$15,433
District Ag Associations	\$74,820	\$44,808
Employment Development Dept.	\$291,798	\$244,265
Emergency Services	\$595,944	\$1,027,876
Fish and Wildlife	\$1,083,802	\$564,476
Food & Agriculture	\$555,323	\$691,849
General Services	\$6,612,944	\$5,380,098
Highway Patrol	\$23,306,941	\$16,898,331
Insurance	\$141,524	\$47,804
Judicial Council	\$82,549	\$32,389
Justice	\$157,876	\$137,609
Lottery	\$186,250	\$147,197
Motor Vehicles	\$388,103	\$326,861
Parks & Rec	\$3,277,780	\$1,654,928
Prison Industry Auth.	\$38,559	\$24,068
State Hospitals	\$56,534	\$38,918
State University	\$4,024,469	\$2,641,852
Transportation	\$20,147,955	\$16,333,434
Veterans	\$2,536	\$14,158
Water Resources	\$437,358	\$329,342
All Other Departments	\$1,362,620	\$531,337
Total	\$72,854,534	\$54,493,876

*District Agricultural Association group includes California Exposition.

**Per Vehicle charge is \$836

***Total includes expected claims to be paid, administrative