

MANAGEMENT MEMO

NUMBER:

26-02

SUBJECT:

STATE MOTOR VEHICLE INSURANCE ACCOUNT
FISCAL YEAR 2026-27 ASSESSMENT

EFFECTIVE DATE:

JULY 1, 2026

ISSUING AGENCY:

DEPARTMENT OF GENERAL SERVICES

EXPIRES:

JUNE 30, 2027

SUPERSEDES:

25-01 (REV.
05-16-2025)

Purpose

To provide state agencies with the State Motor Vehicle Insurance Account (SMVIA) assessment for the fiscal year 2026-27.

Authority

Government Code

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

Vehicle Code

Section [16056](#)

State Administrative Manual (SAM)

Sections [2420](#), [0753](#), [2430](#)

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 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 operate vehicles and equipment. To support this and future assessments, DGS partnered with an actuarial firm to reinforce the program's actuarial basis, ensure

sufficient funding reserves, and apply actuarial methods to establish the assessment. The enhancements to this methodology are described below.

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 is calculated by reviewing the previous six years of actual claims expenses, including legal fees, administrative fees, settlements and judgments, and reflects the projected amount to be expended for accidents occurring in the coming year. The assessment for state agencies that own 300 or more vehicles is determined by the actual agency claims history. State agencies with fewer than 300 vehicles are grouped together in an “All Other Departments” category and are rated as though they are one entity. The assessment provides for expected loss but does not provide for all possible losses. To account for unexpected catastrophic claims, the loss will be added to future assessments for the next six years or could be paid by the agency budget or claims bill.

Appendix A reflects the 2026-27 assessments for the separately rated departments and the “All Other Departments.”

Responsibilities

Use of Private Vehicles on State Business

Employees operating their private vehicle on official state business must complete STD 261, Authorization to Use Privately Owned Vehicles on State Business. Form STD 261 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 Vehicle Code section 16056:

- \$ 30,000 for personal injury to, or death of, one person
- \$ 60,000 for personal injury to two or more persons in one accident, and
- \$ 15,000 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

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

Resources

- [STD 270 – Vehicle Accident Report form](#)
- [ORIM Motor Vehicle Claims Unit website](#)

Contact Information

Questions concerning the State Motor Vehicle Insurance Account 2026-27 Assessment or reinforcement to the program's actuarial basis should be directed to:

ORIM Administrative Unit

Telephone: (916) 376-5300

Email: orimadmin@dgs.ca.gov and claims@dgs.ca.gov

Approval



Ana M. Lasso, Director
Department of General Services

APPENDIX A

Department	2026-27 Assessment
Cal Fire	\$6,359,250
California State Universities	\$1,049,280
Conservation Corps	\$676,029
Consumer Affairs	\$232,403
Corrections	\$6,640,478
Developmental Services	\$20,300
District Agricultural Associations*	\$48,273
Employment Development Department	\$357,380
Emergency Services	\$730,327
Fish and Wildlife	\$1,720,175
Food and Agriculture	\$683,961
General Services	\$2,538,981
Highway Patrol	\$31,343,750
Insurance	\$799,799
Judicial Council	\$143,772
Justice	\$357,944
Lottery	\$578,623
Motor Vehicles	\$1,116,956
Parks and Recreation	\$1,950,242
Prison Industry Authority	\$24,297
State Hospitals	\$107,038
Transportation	\$17,387,293
Veterans Affairs	\$21,674
Water Resources	\$772,332
All Other Departments**	\$3,654,858

*District Agricultural Associations group includes California Exposition.

**The All Other Departments average per vehicle rate is \$3,028.