

MANAGEMENT MEMO

NUMBER:

21-03

EFFECTIVE DATE:

4/20/2021

SUBJECT:
STATE MOTOR VEHICLE INSURANCE ACCOUNT
2021-22 FISCAL YEAR ASSESSMENT

ISSUING AGENCY:

DEPARTMENT OF GENERAL SERVICES

REFERENCES:

Government Code Sections 11290 (a), 16378, 16379, SAM 2420

SUPERCEDES:

20-02

Intended Audience State Fleet Managers, Deputy Directors, Department Directors

Purpose To provide state agencies information on their State Motor Vehicle Insurance Account (SMVIA) assessment for the 2021-22 Fiscal Year(FY).

Policy Pursuant to State Administrative Manual (SAM) Section 2420, the 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 The Department of General Services (DGS) administers the SMVIA. The SMVIA is funded through assessments charged to state agencies that utilize vehicles/equipment for their operations.

The 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.

The 2021-22 FY assessment calculations are based on each state agency's claim experience for the last five calendar years ending December 31, 2020.

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 and experience rated as though they were one entity.

Attachment 1 reflects the 2021-22 FY assessments for 23 separately rated departments and the All Other Departments group.

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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, 2020, from the DGS Office of Fleet and Asset Management. The average rate for this group is calculated at \$156 per vehicle.

Requirement(s) N/A

Process/
Procedures

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

- Employees who operate vehicles on official business must have a valid driver's license and a good driving record.
- 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 drivers should be permanent State employees.
- Drivers under the age of 18 may not operate State vehicles under any circumstances.
- Employees who operate vehicles on official business should attend and successfully complete an approved defensive driver training course at least once every four years. Online training is available at: www.orim.dgs.ca.gov/orim/services
- 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. Additionally, the employee certifies the vehicle is adequate for the work, equipped with operating safety belts and is in safe mechanical condition.
- Report all vehicle accidents within 48 hours to the Office of Risk & Insurance Management (ORIM) using the STD. 270, Vehicle Accident Report form. The form is available online at www.dgs.ca.gov/orim/forms.

Contact

Questions concerning the motor vehicle self-insurance assessments can be directed to:

Kevin Tateyama

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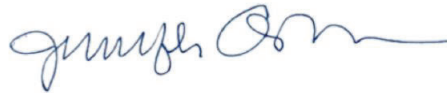
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Administrative Unit
Telephone: (916) 376-5317
Email: kevin.tateyama@dgs.ca.gov

Signature



Jennifer Osborn, Chief Deputy Director (Acting Director)
Department of General Services

Attachment 1

Department	2021-22 Assessments	2020-21 Assessments
Cal Fire	\$799,151	\$665,959
Conservation Corps	\$288,311	\$386,799
Consumer Affairs	\$285,821	\$238,184
Corrections	\$1,071,126	\$892,605
DDS	\$7,992	\$17,211
District Ag Associations*	\$345,028	\$330,252
EDD	\$59,231	\$82,404
Emergency Services	\$260,815	\$217,346
Fish & Wildlife	\$515,694	\$448,173
Food & Agriculture	\$379,121	\$578,861
General Services	\$2,988,587	\$2,490,489
Highway Patrol	\$16,733,995	\$16,188,399
Insurance	\$40,188	\$33,490
Judicial Council	\$69,118	\$57,598
Justice	\$178,545	\$165,239
Lottery	\$185,355	\$267,748
Motor Vehicles	\$102,568	\$92,145
Parks & Rec	\$477,214	\$408,452
Prison Industry Auth.	\$17,963	\$15,333
State Hospitals	\$31,021	\$27,488
State University	\$1,199,836	\$999,863
Transportation	\$8,952,089	\$9,081,146
Water Resources	\$223,973	\$196,596
All Others**	\$259,726	\$216,438
Total Premium	\$35,472,468***	\$34,098,218

*District Agricultural Association group includes California Exposition.

**Per vehicle charge is \$156

***Total includes expected claims paid, administrative expenses (including legal defense), and funds to build a prudent reserve.