

MANAGEMENT MEMO

NUMBER:
22-01EFFECTIVE DATE:
May 3, 2022

SUBJECT:

STATE MOTOR VEHICLE INSURANCE ACCOUNT 2022-23 FISCAL YEAR ASSESSMENT

ISSUING AGENCY:

DEPARTMENT OF GENERAL SERVICES

REFERENCES:

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

SUPERCEDES:

21-03

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 2022-23 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 2022-23 FY assessment calculations are based on each state agency's claim experience for the last five calendar years ending December 31, 2021.

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 2022-23 FY assessments for 24 separately rated departments and the All Other Departments group.

MANAGEMENT MEMO

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, 2021, from the DGS Office of Fleet and Asset Management. The average rate for this group is calculated at \$303 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
Administrative Unit
Telephone: (279) 946-8143
Email: statewidehealthandsafety@dgs.ca.gov

MANAGEMENT MEMO

NUMBER:
22-01

EFFECTIVE DATE:
May 3, 2022

Signature

Ana M. Lasso, Director
General Services

Department	2022-2023 Assessment	2021-2022 Assessment
Cal Fire	\$ 3,093,938	\$ 799,151
Conservation Corps	\$ 203,206	\$ 288,543
Consumer Affairs	\$ 405,136	\$ 285,821
Corrections	\$ 2,821,040	\$ 1,071,126
Developmental Services	\$ 8,324	\$ 8,206
District Ag Associations*	\$ 554,524	\$ 345,208
Employment Development Dept.	\$ 195,941	\$ 59,345
Emergency Services	\$ 446,387	\$ 260,815
Fish and Wildlife	\$ 601,738	\$ 517,152
Food & Agriculture	\$ 480,228	\$ 379,547
General Services	\$ 4,750,402	\$ 2,988,587
Highway Patrol	\$ 14,257,349	\$ 16,737,904
Insurance	\$ 113,424	\$ 40,187
Judicial Council	\$ 50,891	\$ 69,117
Justice	\$ 184,799	\$ 178,832
Lottery	\$ 125,729	\$ 185,602
Motor Vehicles	\$ 199,220	\$ 102,737
Parks & Rec	\$ 962,942	\$ 478,902
Prison Industry Auth.	\$ 25,711	\$ 18,392
State Hospitals	\$ 58,458	\$ 31,541
State University	\$ 1,976,241	\$ 1,199,836
Transportation	\$ 13,049,080	\$ 8,957,945
Veterans Affairs	\$ 17,869	\$ 37,391
Water Resources	\$ 480,597	\$ 224,653
All Others**	\$ 481,972	\$ 259,726
Total Premium	\$ 45,545,147***	\$ 35,526,264

*District Agricultural Association group includes California Exposition.

**Per vehicle charge is \$303

***Total includes expected claims paid, administrative expenses (including legal def