

2.405 Automobiles (Employees and Authorized Users)

This policy addresses the processing of automobile claims made by RCUH and UH employees, and other authorized users.

The State of Hawai'i, through the Department of Accounting and General Services (DAGS), operates an insurance program which provides liability coverage for RCUH automobiles and other motor vehicles while on authorized RCUH business.

I. Responsibilities

A. Principal Investigator

1. Ensure that accidents and losses are promptly reported and documented.
2. Cooperate in all investigations.

Scope of Coverage

- A.** The State of Hawai'i Automobile Fleet Liability Insurance Program (State Program) provides no-fault coverage as required by State law for third-party bodily injury and third-party property damage resulting from accidents involving automobiles covered under the State Program. Excess liability coverage is also provided at limits determined by the Risk Management Office of DAGS. All RCUH-owned automobiles and mobile equipment must be reported and listed on the DAGS Risk Management State Auto Insurance Program Report to qualify for insurance coverage.
- B.** The State Program does not provide uninsured and underinsured motorist coverage.
- C.** Coverage for physical damage to RCUH-owned automobiles from collision, fire, theft, or comprehensive loss is not provided by the State Program unless the automobile has been specifically designated for such coverage and the coverage is approved by the Risk Management Office of DAGS.
- D.** Medical and income benefits will be provided under RCUH's and UH's respective workers' compensation policies for RCUH and UH employees for injuries sustained in accidents arising out of and in the course and scope of their employment.

III. Coverage Details

A. Automobiles Covered Under the State Program

1. RCUH-owned automobiles and mobile equipment.
2. Leased, hired, rented, and other non-owned automobiles when authorized by the RCUH and operated under the name of the RCUH.
3. Employee-owned automobiles while on authorized RCUH business – Coverage is limited to excess coverage over the employee’s personal automobile insurance policy, for third-party bodily injury and third-party property damage. Physical damage to employee-owned automobiles is **not** covered under the State Program.

Owner of Vehicle	Property Damage to Vehicle	Bodily Injury to Driver	Bodily Injury to Third Party	Property Damage to Third Party
RCUH	State Program	RCUH/UH Workers’ Compensation Insurance**	State Program	State Program
Rental Vehicle*	State Program	RCUH/UH Workers’ Compensation Insurance**	State Program	State Program
Employee’s Personal Vehicle***	Personal Vehicle Insurance Coverage	RCUH/UH Workers’ Compensation Insurance**	Personal Vehicle Insurance Coverage (excess liability to be provided under the State Program)	Personal Vehicle Insurance Coverage (excess liability to be provided under the State Program)

* Coverage applies in the state of Hawai‘i, the U.S., and foreign countries.

** Workers’ compensation coverage shall only apply if employees are acting within the course and scope of their employment with RCUH/UH at the time of their injury.

*** Applies when a personal vehicle is used for official RCUH/UH business.

B. Authorized Drivers – RCUH and UH employees, officers, Board members, volunteers, student employees, and other authorized individuals (except independent contractors) licensed to operate an automobile are covered under the State Program when on authorized RCUH business.

C. Reporting Automobile Accidents – In the event of an accident involving an automobile covered under the State Program, the following actions must be taken:

1. The police department must be notified at the time of the accident.
2. The driver must report all injuries and property damage to his/her supervisor as soon as possible. The supervisor shall then notify the RCUH Procurement & Disbursing manager, who in turn will notify the Risk Management Office of DAGS and/or its contracted claims administrator.
3. The driver must report the details of the accident on both a [Form RMA-001 Automobile Loss Notice](#) and a [Driver's Report of Accident](#). The completed forms, along with any photographs and the police report, if available, must be given to the driver's supervisor within 24 hours of the accident, for forwarding to the RCUH Procurement & Disbursing manager (see [Form RMA-001 Instructions](#)).
 - a. If renting a vehicle, the following must also be provided:
 - i. travel request and/or travel completion;
 - ii. rental car receipt; and
 - iii. rental car agreement.
 - b. Each rental agency has its own procedure for reporting accidents. Regardless of fault, the employee or other authorized individual will be given an estimated loss statement. The agency should be instructed to bill the actual cost of the damage to the following address of the State's Claims Administrator (a collect telephone call is authorized to be made if confirmation is required) at:

Department of Accounting & General Services
Risk Management Office
P.O. Box 119
Honolulu, HI 96810-0119
Telephone No.: (808) 586-0547
4. Drivers should only discuss the accident with their supervisors, other State representatives, and the police. No admission of fault or responsibility should be made.
5. The RCUH Procurement & Disbursing manager will review each incident report and notify the DAGS Risk Management Office within five (5) business days of the accident. The DAGS Risk Management Office will then conduct an investigation of the accident to determine fault and liability.

D. Rented Automobiles

1. Prior to leaving the rental agency with the rented vehicle, drivers should complete a thorough inspection of the vehicle and document the condition of the vehicle with pictures. Pictures should also be taken when returning the vehicle after use.
2. For vehicles rented within the state of Hawai'i, the rental agency should be advised that the State of Hawai'i/RCUH, instead of the driver, will be liable for collision damages. A copy of the Attachment 14 RCUH Insurance Policy Letter should be provided to the rental agency, and their acceptance of this condition should be acknowledged prior to execution of the rental agreement. If possible, all rental agreements should name the State of Hawai'i/RCUH as the renter, with the individual listed only as a driver. This is to ensure that insurance coverage under the State Program is provided easily and seamlessly for all rentals on official RCUH business. Rental agencies that refuse to accept this condition should not be patronized if possible.
3. Drivers who are renting vehicles for authorized RCUH business should decline all insurance options. The purchase of Collision Deductible Waiver (CDW) or Loss Deductible Waiver (LDW) coverage is only permitted if the following apply:
 - a. The vehicle is being rented outside the state of Hawai'i (in another state or country);
 - b. Purchase of such coverage is a condition for renting the vehicle and the financial terms are advantageous;
 - c. Payment for such coverage will be fully reimbursed to the RCUH; or
 - d. Rental of the vehicle is covered by funds other than UH funds (for UH projects).

As indicated above, the purchase of CDW or LDW coverage is allowed for vehicles rented outside of the state of Hawai'i. All other types of coverage are not permitted. See the table below.

Type	Coverage	Intra-State Permitted?	Out-of-State Permitted?
CDW or LDW	Damage to rental vehicle	No	Yes
Personal Accident Insurance*	Bodily injury to the rental car driver	No	No
Personal Effects Insurance**	Loss or damage of personal effects of the rental car driver	No	No
Supplemental Liability	Increase the existing coverage	No	No

Insurance	for third-party liability		
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*Workers' compensation coverage will be provided to RCUH/UH employees when injuries are sustained in an automobile accident, if employees are acting within the course and scope of their employment with RCUH/UH at the time of their injury.

**Personal effects insurance may be taken at the employees' own personal cost. If the employee's personal effects are damaged in an auto accident and the employee is not at fault, a claim may be filed against the driver of the other vehicle or his/her auto insurance carrier for the loss. If the employee's personal effects are stolen or damaged, the employee may file a report with his/her own insurance carrier.

IV. Relevant Documents

[Form RMA-001 Automobile Loss Notice](#)

[Form RMA-001 Instructions](#)

[Driver's Report of Accident](#)

[Attachment 14 RCUH Insurance Policy Letter](#)

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