

SENATE BILL REPORT

SB 5296

AS OF FEBRUARY 11, 1991

Brief Description: Providing for proportional payment of auto liability insurance for certain state employees.

SPONSORS: Senators von Reichbauer, Pelz, Talmadge, Moore and Johnson.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Staff: Mark Hutson (786-7488)

Hearing Dates: February 12, 1991

BACKGROUND:

There has been a steady increase of certain state employees usage of their personal vehicles on official state business. The state employees in reference are full-time permanent employees from either higher education or civil service who, as a condition of employment, are required to use their own vehicles.

According to studies done in 1988 by the State Efficiency Commission, it was found that hundreds of state employees were using their own vehicles for state business without applying for reimbursement. This user group appeared to be generally uninformed about state motor vehicle policies. For example, very few employees recognize that their personal insurance policies limit or do not provide for their coverage while using their personally owned vehicles on state business unless reported to the insurance carrier. There are regulations, programs, policies and reimbursement rates in force that are not shared with this group. As of this writing, there are still no state motor vehicle information pamphlets prepared and distributed as the recommendation called for in 1988.

According to industry sources, employees that are financially impacted the greatest are those who drive under 1,800 official business miles per year and those drivers that exceed an average of 20 percent of business miles, trigger a need for a business rider clause, costing an additional premium of \$200 (avg) per year.

In addition, employees must currently pay their own deductibles for accidents occurring in the performance of their official duties.

SUMMARY:

Certain state employees that are required to use their personal vehicles as a condition of employment shall have a proportion, based on miles driven, of their automobile liability insurance paid. The state shall also pay deductibles in the event of an accident while on official duties.

Appropriation: none

Revenue: none

Fiscal Note: requested February 8, 1991