



February 11, 2020

TO: Texas A&M AgriLife Unit Heads and Business Administrators

SUBJECT: Business/Personal Use of State Vehicles

Recently, it has come to the attention of System Risk Management that there may be questions regarding the assignment of state vehicles to employees and their personal use of such assigned state vehicles. The purpose of this email is to address the issues surrounding that practice as it relates to auto liability coverage and damage to state vehicles.

It is important to note under state statute, the System Auto Plan can only provide auto liability coverage when an employee, while in course and scope of employment, is operating a motorized vehicle and causes property damage and/or bodily injury due to their negligent use of the state vehicle. If an employee, while using and/or assigned a state vehicle, uses that vehicle for personal errands or stops (depending on specific facts of the use or stop), that use will be considered personal and would not be covered under the System Auto Plan.

If a vehicle is taken home overnight for business trips, the vehicle should not be used for personal use and parked overnight and operated the following day for business use only.

If a member institution has purchased comprehension/collision coverage through the System Auto Plan and one of their vehicles is damaged while operated for personal use by an employee, the System Auto Plan is unable to pay for damage to the vehicle as the damage did not occur while being used for the purposes of the state.

In an instance where a state vehicle is assigned to an employee that might create opportunities for the state vehicle to be used for personal use, it is very important the following information is communicated to the employee:

- The employee will need to contact their personal insurance agent to discuss the proper coverage mechanism to cover their personal auto liability when using the state vehicle for personal use. This is generally managed through the purchase of a non-owned liability policy. The employee should also discuss with their agent the appropriate coverage to purchase or to repair the state vehicle if it is damaged while being personally used.

In general, System Risk Management strongly discourages the use of state vehicles for personal use by employees. It can lead to difficult situations and conversations in the event an accident occurs and the employee is legally liable and the state is unable to cover the liability because of



the personal use of the state vehicle. Likely, if such an accident occurs, the employee, if not properly advised by their personal insurance agent, may have liability exposure with no coverage that could lead to unforeseen personal cost.

If you have any questions, please contact Jared Kotch, Manager of Property & Fleet Management, at [jared.kotch@ag.tamu.edu](mailto:jared.kotch@ag.tamu.edu).

Texas A&M AgriLife Administrative Services | <http://agriflifeas.tamu.edu/>