

# RISK MANAGEMENT BULLETIN

## ISSUE: State Owned Housing and Insurance

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*As part of their job requirements and/or job packages, State employees in certain positions may reside in State-owned housing (such as at fish hatcheries and parks, for example). Careful consideration should be given to the liability and insurance issues arising from this practice.*

### **Liability Insurance**

The State's liability for this housing is insured in Risk Management Division's self insurance program for tort liability<sup>1</sup>. All agencies of State government currently participate in this program.

Under this same program, there is *limited* coverage for the State employee's liability. The coverage is limited to negligent acts or omissions committed *within the course and scope of employment*. Just because one lives in State owned housing does not mean that everything that might occur will be considered to be within the course and scope of employment. There is no coverage under this program for any personal liability the employee may incur outside the course and scope of employment. There is no coverage for the personal liability of any non-employee household resident, including family members.

### **Property Insurance**

Risk Management Division makes property insurance available to State agencies. The decision to insure or not insure any State owned building and the building's State owned contents rests with the State agency. This property insurance does *not* insure the employee's personal property, including (but not limited to) household contents, pets<sup>2</sup>, vehicles, recreational vehicles, and watercraft.

### **Insurance Recommendations**

Risk Management Division recommends that an agency develop and maintain a State Owned Housing Policy if applicable. The housing policy, at a minimum, should require each employee living in State owned housing to provide evidence of liability insurance<sup>3</sup> with a limit of liability not less than the limits contained in the Maine Tort Claims Act (currently \$400,000). The housing policy should also address whether or not pets will be allowed and under what conditions. We are happy to review and provide input on any such housing policies.

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<sup>1</sup> The coverage provided specifically insures the laws of the Maine Tort Claims Act - Title 14, Chapter 741, Tort Claims §8101 - §8118.

<sup>2</sup> Risk Management has previously agreed to allow pets in State owned housing provided certain insurance and other requirements are met. Contact our office for details.

<sup>3</sup> Typically, this kind of insurance is called "Tenant Homeowner's Insurance" or "Renter's Insurance" and the insurance combines liability and property protection. It is readily available and affordable.

*Risk Management Division, 85 State House Station, Augusta, Me 04333  
Tel: 1-800-525-1252 or 287-3351 • Fax 287-4008*

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