

RISK MANAGEMENT BULLETIN

STATE OWNED HOUSING AND INSURANCE

As part of employment requirements, State employees in certain positions may reside in State-owned housing. Careful consideration should be given to the liability and insurance issues arising from this practice.

Liability Insurance

The State's liability¹ for this housing is insured under Risk Management's self-insurance program. 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 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, pets², vehicles, recreational vehicles, and watercraft.

Insurance Recommendations

Risk Management recommends that an agency develop and maintain a Housing Policy if applicable. The housing policy, at a minimum, should require each employee living in State owned housing to provide evidence of liability insurance³ 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.

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

² 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.

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

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