

RISK MANAGEMENT BULLETIN

OPERATION OF A STATE VEHICLE BY NON-STATE EMPLOYEES

Risk Management Division (RMD) receives requests from State entities seeking permission for non-state employees¹ to operate State-owned vehicles to conduct State business. Although this is one way for State entities to keep costs down and make full use of State resources, this practice does raise certain concerns.

INSURANCE CONCERNS

The liability of State employees operating vehicles owned by the State, while in the course and scope of their employment, is generally insured through RMD. Non state employees are generally not covered by the RMD insurance program. This can create a large uninsured exposure for any State entity permitting a non state employee to use a State-owned vehicle.

RISK MANAGEMENT DIVISION'S POSITION

RMD discourages the practice of allowing non state employees to drive State-owned vehicles. This is in part because the RMD vehicle liability insurance program does not automatically extend coverage to non-state employees. However, it is recognized that some vehicle use by non-state employees may result in more efficient use of State resources.

NON- STATE EMPLOYEE INSURANCE ELIGIBILITY TO DRIVE STATE VEHICLES

Non State employees are not insured to operate State owned vehicles Maine until a **Vehicle Use Agreement (VUA)** form is complete and approved by RMD. RMD will advise of approvals. If a State entity permits a non-state employee to use a State-owned vehicle without RMD approval, the entity assumes all risks.

VEHICLE USE AGREEMENT FORM.

This form is used to determine the insurability of a non-state employee for the purposes of State vehicle operations. The form is to be read, understood, and signed by the applicant and supervisor. RMD is not able to check out-of-state motor vehicle records (MVR). Therefore, any applicant signing a VUA form who has an out-of-state license in the past five years **MUST** (at his or her or the entity's expense) provide RMD with a current MVR from that state before RMD can continue the approval process. RMD will continue to check Maine MVRs at no expense to the applicant or the entity.

Approved VUA's will be insured by RMD subject to the terms and conditions set forth in the vehicle liability insurance program and applicant's adherence to the rules and regulations of the State entity overseeing the applicant.

The authorizing entity of applicant should take the time to explain to the driver the form, permitted and non-permitted use, the seat belt work rule, and the procedures to be followed in case of a vehicle accident.

RMD reserves the right to refuse insurance protection when RMD determines that the risks involved are prejudicial to the State's vehicle liability insurance program, as permitted by 5 M.R.S. § 1728-A(3).

If there are any questions regarding this issue, the above criteria, or this form, please contact RMD.

*Risk Management Division
85 State House Station, Augusta, Maine 04333-0085
Telephone (207) 287-3351 Toll-free 1-800-525-1252 FAX (207) 287-4008*

Initial Issue Date May 1999; Revised May 2001; Revised February 2012; Revised July 2022

¹ For the purposes of this bulletin, a "non-state employee" includes any person not assigned to a State position.