



DEPARTMENT OF GENERAL SERVICES

Office of Risk and Insurance Management

707 Third Street • West Sacramento, CA 95605 • (916) 376-5300 • www.orim.dgs.ca.gov

June 7, 2010

Insurance Requirements

<u>Type of Rental</u>	<u>Insurance Requirements</u>
Short and long term car rental through contracted rental car companies.	None – already negotiated insurance terms within the contract
Short and long term car rental without contract.	\$250,000 liability *Physical damage coverage
Short and long term box truck rentals through contracted rental car companies. **	None- already negotiated insurance terms within the contract
Short and long term box truck rentals without contract.	\$250,000 liability *Physical damage coverage

The State Motor Vehicle Liability Self-Insurance Program (VELSIP) is a program funded through annual assessments billed to individual State departments based on owned vehicles and claims activity. When an agency rents or leases a vehicle and should sustain a loss, there is no premium or assessments received to offset this exposure. Therefore, it is suggested that agencies purchase, at a minimum, liability insurance when leasing or renting vehicles from a non-contracted company.

The purchase of physical damage coverage by the State employee is prohibited under SAM 0758, <http://sam.dgs.ca.gov/TOC/700/0758.htm>

The Office of Risk and Insurance Management (ORIM) will issue self-insurance letters on behalf of any State department but the agency is financially responsible for any damage to the rental vehicle. The VELSIP **does not** provide physical damage coverage to the rental vehicles.

There are currently no contracts in place for box trucks through DGS Fleet Administration. However, ORIM recommends that insurance terms be negotiated within the contract.

Sincerely,

Karen Bianchini
Staff Risk Manager
Office of Risk and Insurance Management