

MULTNOMAH COUNTY, OREGON
ADMINISTRATIVE PROCEDURE **RSK-12**

SUBJECT: Vehicle/Boat Self-Insurance Program

PURPOSE: To establish a self-insurance program for catastrophic physical damage, and vandalism and hit & run damage to County-owned vehicles and boats.

ORGANIZATION RESPONSIBLE: Department of County Management/Risk Management Property & Liability Program

DATE: Ted Wheeler, Chair
May 27, 2009



ORGANIZATIONS AFFECTED: All Departments/Offices

LEGAL CITATION REFERENCE: MCC 7.100 to 7.104

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- I. PROCEDURE DESCRIPTION
 - A. General
 - 1. This procedure is available to all Departments/Offices.

2. Payment of accidental losses from the Risk Management Fund are authorized by MCC 7.100 et seq., the County's Risk Management Policy.

B. Background

This procedure describes a standard method of reimbursing Departments/Offices from the Risk Management Fund for catastrophic physical damage, vandalism, or hit & run damage exceeding \$3,000 to County-owned vehicles and boats.

1. Vehicles and Boats Covered:

- Motor vehicles and boats owned by Multnomah County, including equipment installed.
- Installation costs – only if highly specialized work is required which the County must have an outside company perform and these costs have Risk Management approval prior to being performed.

2. Loss or Damage Covered:

- Collision losses.
- Comprehensive (losses other than collision), including;
 - Fire.
 - Theft.
 - Explosion.
 - Windstorm.
 - Malicious mischief and vandalism.
 - Hit & Run damage.

3. Exclusions:

This reimbursement program does not apply to:

- Wear and tear, gradual deterioration, inherent vice or obsolescence.
- Mechanical or electrical breakdown or failure, unless a covered loss ensues.
- County Equipment not installed in the vehicle. (Equipment may be covered by Administrative Procedure RSK-6, with a \$750.00 deductible applying to that loss.)
- Installation costs by County Personnel.
- Personal property of employees or non-employees.

4. Deductible Amount:

The Departments/Offices will be responsible for bearing a deductible of \$3,000 per occurrence for approved catastrophic losses, vandalism or hit & run losses to County vehicle or boats.

5. Limit of Liability:

The limit of liability for the Risk Management Fund for loss or damage to any one covered vehicle/boat or any one occurrence shall be the current deductible the County has on its property insurance and marine insurance coverage. Losses above this amount will be submitted to the County's insurance carriers for reimbursement.

6. Basis of Reimbursement:

Reimbursements will be based on the Actual Cash Value of the vehicle or boat. For partial losses above the deductible, the actual cost to restore the vehicle or boat to functionality based on Fleet's or Sheriff's Office authorized repairs will be reimbursed. Fleet or the Sheriff's Office, in consultation with Risk Management, shall determine if a vehicle or boat is totaled. For totaled vehicle or boat losses above the deductible amount, the Risk Management Fund will reimburse the Actual Cash Value of the vehicle or boat minus any replacement rate funds accumulated minus any salvage money and subrogation funds received in.

7. The reimbursement amount will be reduced by the following:

- \$3,000.00 Deductible.
- Salvage value received.
- Any subrogation funds received.
- Replacement rate funds accumulated on the vehicle or boat.

8. Reimbursements must be initiated by Fleet (for vehicles) or the Sheriff's Office (for boats) within six months of the date of loss and completed within 12 months from the date of the loss.

II. RESPONSIBILITIES

A. Fleet or Sheriff's Office

1. Report the loss to Risk Management, Property & Liability Program as soon as

possible.

2. Determine the Actual Cash Value of the vehicle or boat, final repair costs, salvage value information, subrogation funds (if applicable), and information on any replacement rate funds accumulated on the vehicle or boat.
3. Document the loss by submitting a;
 - ✓ County Vehicle Collision Report Form RSK-4. (Located on the Administrative Procedures MINT site.)
 - ✓ Police report, if a police report was written.
 - ✓ DMV report form, when appropriate.
 - ✓ Repair invoices, estimates, salvage receipts, etc.
 - ✓ Printout of replacement rate funds accumulated on the vehicle or boat.
4. Complete a County-Owned Vehicle/Boat Damage Reimbursement Form -RSK-12, attach the documentation, and forward to Risk Management, Property & Liability Program.

B. Risk Management, Property & Liability Program

1. Assist in documenting the loss.
2. Submit excess claims to the County's property insurance carriers.
3. Coordinate the recovery or replacement with other Departments/Offices or outside agencies as needed.
4. Review and authorize reimbursements.
5. Pursue subrogation from third parties. Subrogation funds received after reimbursement has been completed shall be credited to the Risk Management Fund.

III. IMPLEMENTATION AND INTERPRETATION

Any questions or disputes relative to the intent or application of this procedure are to be directed to Risk Management, Property & Liability Program, who is responsible for implementing this procedure.

IV.

**COUNTY-OWNED VEHICLE/BOAT DAMAGE
REIMBURSEMENT REQUEST**

Form RSK-12

Department/Office: _____

County Vehicle/Boat Driver's Name: _____ Phone: _____

Date & Time of Loss/Damage: _____

Description of Vehicle or Boat:

Description of Loss or Damage: _____

Actual Cash Value: \$ _____

Less:

User Program Deductible	\$(3,000.00)
Salvage money received	\$(_____)
Replacement Rate Funds accumulated	\$(_____)
Subrogation funds received by Fleet (vehicles) or Sheriff's Office (boats)	\$(_____)

Reimbursement Request \$ _____

Request is made to reimburse in the amount of:

\$ _____ SAP Codes to Reimburse: _____
(dollar amount) Cost Center or WBS Code, General Ledger Code

Signature of Fleet or Sheriff's Office Representative Phone Number and Date Signed

ATTACH SUPPORTING DOCUMENTATION, FORWARD TO:
RISK MANAGEMENT, PROPERTY & LIABILITY PROGRAM, 503/4.

Revised 05/09

V. SAMPLE LOSS MATRIX

RSK-12-VEHICLE/BOAT SELF-INSURANCE PROGRAM

<u>Sample Losses</u>	<u>Department Expenses</u>	<u>Risk Management Expenses</u>	<u>Insurance Policy Coverage</u>
County Vehicle or Boat Loss <\$5,000	\$3,000 Deductible	Up to \$2,000	None
County Vehicle or Boat Loss >\$5,000	\$3,000 Deductible	\$2,000	Up to \$1 Million

All dollar amounts except the deductible are subject to Subrogation, Salvage, and/or any Replacement Funds Available