Automobile Insurance Summary

Automobile liability self-insurance and automobile physical damage insurance is provided through the University of Alabama System. Decisions about coverages are made by a University of Alabama System committee with membership drawn from the UA System office and all three institutions.

**Liability Insurance.** The University of Alabama System is self-insured for automobile liability through the UAS Comprehensive General Liability Trust Fund. Covered entities for this self-insurance liability coverage include all employees of the three UAS institutions and permitted users of university vehicles while driving a “covered vehicle.” The latter includes "any automobile," which is defined as any owned, leased, rented, or hired automobile. Coverage therefore extends to a vehicle owned by the University and to vehicles leased, rented, or hired (from a non-employee) by the University. When an employee rents a vehicle in his/her own name but for use on University business, this is considered a “hired vehicle” situation and liability coverage attaches. Coverage does NOT extend to a vehicle owned by an employee while being used for University purposes.

Employees using personal vehicles for university business must carry automobile liability insurance, and that personal insurance policy will be primary. Liability coverage under the UAS self-insurance program will typically not extend to personal vehicles used for University business.

**Physical Damage Insurance.** Physical damage insurance, known as comprehensive and collision coverage, is currently provided through the UAS Traveler’s policy for all rental vehicles and for all vehicles owned or leased by the University that are not more than five years old. This insurance is being written on a “blanket” basis (all vehicles falling within the model year parameters), as opposed to a “scheduled” basis (all vehicles that are placed on the schedule of covered vehicles).

The coverage is primary for all covered vehicles owned by the University and for all covered vehicles not owned by the University, that is, for all hired vehicles. No physical damage coverage is provided for a vehicle owned by an employee and being used for university purposes. The present deductibles are $2,000 per loss for comprehensive and for collision claims for university-owned vehicles, and $250 for hired or leased (rental) vehicles.

Because of the liability and physical damage coverages provided under these insurance programs, it is not advisable for a UAH employee who is renting a vehicle in his name for use on University business to purchase the insurance offered by the rental company. However, some automobile rental contracts that the University has entered into provide this coverage at no additional cost. Contact Procurement Services or the Office of Risk Management if you have questions regarding the purchase of additional rental car insurance coverages.

The physical damage policy does not include **uninsured motorist** coverage or **medical payments** coverage.