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 physical damage policy for all rental vehicles and for all vehicles owned or leased by the University that are not more than six (6) years old. This insurance is being written on a "scheduled" basis (all vehicles that are placed on the schedule of covered vehicles). All new vehicle purchases and leases must be reported to the UAH Office of Risk Management and Compliance.

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 (rented/leased) vehicles. No physical damage coverage is provided for a vehicle owned by an employee and being used for university purposes. The present deductibles are $2,500 per loss for comprehensive and for collision claims for university-owned vehicles, and $250 for rental vehicles.

Because of the liability and physical damage coverages provided under these insurance programs, it is not advisable for a UAH employee to rent a vehicle in their name for use on UAH business. Rental agreements should clearly indicate that the rental is on behalf of UAH.

Rental Vehicle Physical Damage Coverage. If renting a vehicle from Enterprise or National, contact Procurement Services to obtain the contract number that UAH participates in. This contact agreement includes a no-cost physical damage waiver that will provide a no-deductible physical damage expense waiver. Note that all terms and conditions of the rental agreement must be complied with in order for the vendor to honor the damage waiver.

If renting a vehicle from a different vendor, the renter should decline the physical damage

coverage for domestic rentals. Coverage should be accepted (with an additional fee likely) for international rentals. Contact Procurement Services or the Office of Risk Management if you have questions regarding the purchase of additional rental car insurance coverages.

Vehicle Accident Reporting. All vehicle accidents, no matter how minor, must be reported to the Office of Risk Management and Compliance in accordance with the UAH Vehicle Safety Management Plan Policy (06.08.02). The vehicle driver (employee, student, volunteer, etc.) is responsible for notifying the ORMC and their supervisor/sponsor of the vehicle accident. A Vehicle Accident Report Form must be submitted to ORMC for any vehicle accident involving a UAH vehicle or any vehicle being used on UAH business (includes personal vehicles used on UAH business).

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