RISK MANAGEMENT
& COMPLIANCE

THE UNIVERSITY OF ALABAMA IN HUNTSVILLE

MEMORANDUM

To: The University of Alabama in Huntsville Community
From: Kevin Bennett, Chief Risk & Compliance Officer
Office of Risk Management and Compliance
Date: November 17, 2025
Subject: Update on Automobile Physical Damage Coverage

The University of Alabama System has recently made an important update to how automobile *physical damage* coverage is provided across all campuses, including UAH. As of **October 1, 2025**, the System transitioned from purchasing commercial insurance to a **self-insured model**, with each campus managing its own program. At UAH, the details of our campus-level program are outlined in the accompanying **"Memorandum of Coverage – Auto Physical Damage Fund."**

We want to ensure everyone is aware of what this change means and how to stay protected when using vehicles for university business.

What You Need to Know

- **Coverage applies only to UAH-owned or leased vehicles** that meet the program's terms. A **$2,500 deductible** applies to covered losses.
- **Rental vehicles are not covered** under this program. Any physical damage to a rented vehicle will **not** be paid through the Fund.
- When renting a vehicle for university business, **you must obtain the Collision Damage Waiver (CDW)** from the rental company unless you are renting through UAH's **Enterprise/National contract**, which automatically includes CDW at no added cost.
- The cost of CDW for rentals outside of the Enterprise/National contract is now **allowable and may be charged to p-cards**.

What We Ask of You

- **Use existing institutional rental contracts (e.g., Enterprise/National) whenever possible.** With this rental option, CDW is often included automatically. Procurement Services can help with questions regarding the rental contract(s) and are working to negotiate additional vendor options.
- For all other rentals, **be sure to purchase CDW** as an add-on. You may now charge CDW to your department's p-card as needed.
- **Review the attached Memorandum of Coverage** to become familiar with the full program, including definitions, exclusions, and steps to follow after an accident.
- **Check your unit's fleet vehicles** to see whether any coverage exceptions should be requested.
- If you have questions or would like guidance, please reach out to the **Office of Risk Management and Compliance –** we are happy to be of assistance.

Thank you for your attention to this update and for your partnership in keeping our university's vehicles and operations protected.