The Texas A&M University System
Auto Liability Plan
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I. AUTOMOBILE LIABILITY

The Plan provides payment for third party property damage and bodily injury proximately caused by the negligence of an employee acting within the course and scope of his/her employment. The property damage and/or bodily injury must occur from the operation or use of a covered vehicle and when the protected party would be personally liable to the third party according to Texas law. It provides payments up to the statutory limits of $250,000 per person/$500,000 per accident/$100,000 property liability damage as outlined in the Texas Civil Practice and Remedies Code; Title 5 Governmental Liability; Chapter 101 Tort Claims.

At the request of a Member and at an additional charge, the Plan provides a collision option and comprehensive option to a covered vehicle. Members must submit a written request and System Risk Management must approve the extension of these options to each covered vehicle. Newly acquired vehicles during the year should be reported to System Risk Management within thirty days of possession for approval.

The Plan will provide property damage payments to a covered vehicle for an accident when the third party responsible for the accident is in violation of State law by not carrying the state minimum auto liability limits of $25,000/$50,000/$25,000. This provision is limited to a maximum of $50,000.

The Plan is considered excess over other applicable insurance except when a personal auto is used by a protected party in the course and scope of their employment. (See Section III).

Each payable event is subject to a deductible of $1,000 per occurrence, payable by the Member operating the vehicle. This deductible shall be paid to the Plan and deposited in the Plan fund.

The Plan is funded by Member contributions based on their respective schedule of covered vehicles. Assessments are established based on vehicle type, value and Member loss experience.

II. RENTAL VEHICLES

The State negotiates rates with car rental agencies to include automobile liability and physical damage insurance coverage. Protected parties who rent cars for official state business will use state contracts. The contract third party liability limits are primary and Plan will serve as secondary up to the statutory limits.

If it is not possible to rent a vehicle under a pre-negotiated contract, the protected party must purchase the collision option through the vendor. If collision option is not obtainable, the Plan will provide the collision option and comprehensive option for the rental vehicle.

Payments under the Plan will not apply if the terms or conditions under the rental contract are violated.
III. PERSONAL AUTOS

In the event a protected party utilizes a personal auto when acting within the course and scope of their employment, the Plan will:

- Provide statutory primary automobile liability insurance of $250,000 per person/$500,000 per accident/$100,000 property liability damage as outlined in the Texas Civil Practice and Remedies Code; Title 5 Governmental Liability; Chapter 101 Tort Claims.
- Exclude collision or comprehensive payments to the protected party’s personal auto.
- Exclude collision payments in the event of damage to a personal auto caused by an uninsured third party.

IV. PLAN EXCLUSIONS

Automobile liability provided under the Plan does not apply to:

1. Bodily injury or property damage arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any protected party or any person or organization for whom the protected party may be legally responsible.
2. Any obligation for which the protected party or any insurance company as its insurer may be held liable under any worker’s compensation, unemployment compensation or disability benefits law or any similar law.
3. Third party bodily injury or property damage caused by the use of a covered vehicle by a volunteer except when driving mobile equipment as defined by the Plan.
4. Collision or comprehensive damage to personal autos.
5. Fines, fees, penalties, exemplary damages or punitive damages, whether awarded by a court or by an administrative or regulatory agency.
6. Bodily injury or property damage arising out of the hazardous properties of nuclear material.
7. Property damage to property owned by the System and/or Members.
8. The Plan does not provide payment for losses resulting from wear and tear; marring; deteriororation; freezing; mechanical breakdown; intentional acts, racing or stunting activities.
9. Liability of a protected party arising out of a penal code or ordinance violation committed by or with the knowledge or consent of any protected party.
10. Felony acts.

V. LOSS OF USE OF COVERED VEHICLE

The Plan does not cover the cost of renting or leasing another vehicle while the covered vehicle is being repaired or replaced.
VI. VALUATION

For the collision and comprehensive option, the Plan will pay the amount actually required to repair the covered vehicle. The Plan reserves the right to determine if a vehicle is not repairable based on extent of repairs required, cost of such repairs and value of vehicle prior to the loss. In such case with The Plan will pay the fair market value of the covered vehicle prior to the loss based upon the fair market value of the vehicle as determined through the Kelley Blue Book, NADA, local dealer quotes, etc., less applicable salvage values of the damaged vehicle.

VII. PLAN INTERPRETATION

Any issues regarding the Plan will be reviewed and determined by System Risk Management. If it is determined Plan cannot provide payment, System Risk Management will issue a denial letter to the Member liaison explaining the reason for the denial.

VIII. TERRITORY

This Plan is applicable in all 50 states of the United States of America and its territories. The Plan is not applicable outside the United States and its territories. Insurance requirements should be confirmed with System Risk Management prior to traveling to foreign countries.

IX. DEFENSE AND SETTLEMENT

The Plan will defend all claims or suits for damages within the scope of the Plan even if the allegations appear to be groundless, false or fraudulent. All claims will be handled through System Risk Management in cooperation with the Office of General Counsel and the Texas Attorney General’s Office as applicable.

If a suit is brought and served against a protected party, the suit shall immediately be referred to The Office of General Counsel including the original copy of the summons and complaint and any other documents served upon the Member. System Risk Management should be notified immediately thereafter.

System personnel involved in the claim or suit shall cooperate with the Plan and, as deemed necessary, attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. No protected party should make a voluntary payment or assume liability without prior authorization.

X. RESPONSIBILITIES

A. System Risk Management will manage and implement the Plan through the following:
   1. Coordinating the operation of the plan with Members to include communication on the application of the plan, enrollment of covered vehicles, and collection of claim documentation.
   2. Adjudicate all claims to include working with injured parties, law enforcement, claim handling, and legal counsel to arrive at fair and final settlements.
3. Establish procedures for identification and reduction of risks and review accident statistics and recommend preventive action in an effort to reduce claims.
4. Maintain Plan loss history and financial statistics to include submitting an annual report to Members on Plan performance including future funding requirements and allocation methodology.

B. Office of General Counsel will:
   1. Serve as the chief legal counsel for all legal matters affecting the System.
   3. May accept service of Summons and Complaints on behalf of the Board of Regents

C. The Texas Attorney’s General Office will: handle all suits against the System and its respective Members and protected parties.

D. System Member will:
   1. Maintain an effective vehicle accident prevention plan.
   2. Ensure each System vehicle contains a vehicle accident kit, certificate of insurance and drivers are informed of accident reporting procedures.
   4. Accident reports require coordination by several local units. The vehicle driver must report the accident as soon as possible to the driver’s supervisor, Member Fleet/Transportation Services and/or to the Member’s insurance liaison, in accordance with Member procedures. The Member insurance liaison is responsible for ensuring written accident reports are prepared promptly and submitted to System Risk Management. Injury accidents should immediately be reported to System Risk Management and to law enforcement agencies.
      a. Protected party/Driver: In the event of an occurrence, the protected party shall provide the Member insurance liaison written notice utilizing the System Motor Vehicle Accident Report Form.
      b. If a claim is made against a protected party, the protected party shall immediately forward every demand, notice, summons or other process that is received to System Risk Management.
   5. Cooperate with all investigations and other activities associated with the claim.
   6. Give notice to the local police or sheriff’s department in compliance with Texas Transportation Code Chapter 550.026 in case of injury/death or property damage to a vehicle to the extent it cannot be normally and safely driven by the quickest means of communication available.
XI. **DEFINITIONS**

**Bodily injury** includes any physical injury sustained by a person as a result of a *covered accident*, including death resulting from any of these at any time.

**Collision Option** means upset or collision with another vehicle, a person or an object including the ground or highway; impact with an object on or in the ground.

**Comprehensive Option** means loss by fire; theft (except by an *employee*); vandalism; falling or flying objects; malicious mischief; lightning; windstorm; water; flood; earthquake; hail; impact with animals; missiles; riot; civil commotion; rising water; breakage of glass (other than when caused by collision).

**Accident** means an accident occurring during the course and scope of business by a *protected party* on behalf of The Texas A&M University System.

**Covered vehicle(s)** means automobiles and *mobile equipment* owned, leased or borrowed by a *protected party*, including attached trailers, in the course and scope of their employment.

- Personal autos are considered *covered vehicles* for third party liability while used in the course and scope of employment.
- *Personal autos and mobile equipment* are not *covered vehicles as it pertains to collision option and comprehensive option*.
- *Personal auto and mobile equipment* are not *covered vehicles* when damage occurs as a result of an at fault non insured third party.

**Employee** means an individual who meets the definition of employee as defined by the Texas Labor Code, Title 5, Subtitle C, Chapter 502, Section 001, #2.

**Liability** as defined by the Texas Tort Claim Act.

**Member(s)** is an institution of higher education or agency of The Texas A&M University System.

**Mobile equipment** means any land motor driven vehicle not licensed for road use, scheduled under the Plan, including any attached machinery or equipment used solely on or next to the *Member* premises.

**Nuclear material** means source material, special *nuclear material* or by-product material as defined in the Atomic Energy Act of 1954 or any law amendatory thereof.

**Occurrence** means an accident which results in *bodily injury or property damage* neither expected nor intended from the standpoint of the *protected party*.

**Personal Auto** means a vehicle owned by an *employee*, whether owned or leased.

**Physical damage** means property damage to a *covered vehicle*. 
Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, airborne particles or fibers and waste. Waste includes materials to be recycled, reconditioned or reclaimed. The term pollutants as used herein does not mean potable water, agricultural water, water furnished to commercial users or water used for fire suppression.

Property damage means physical damage to tangible property of others by a protected party.

Protected Party or Protected Parties means:
- Officers and employees of The Texas A&M University System and/or any component Member thereof but only for acts within the scope of their employment with the Member and limited to the Texas Tort Claims Act.
- Board of Regents for and on behalf of The Texas A&M University System with respect to their duties as members of the Board.
- Emergency responders performing the activities/mission of the Member while under the direct supervision of a Member.¹

Volunteer means any person who does not meet the definition of employee as defined by the Texas Labor Code, Title 5, Subtitle C, Chapter 502, Section 001, #2 and performs or offers to perform a service of one's own free will without pay to the respective Member.

XII. REFERENCES
- System Regulation 24.03
- Texas Labor Code Title 5
- Civil Practice and Remedies Code
  - Chapter 101 Tort Claims
- Texas Transportation Code
  - Chapter 544
  - Chapter 545
  - Chapter 550
  - Chapter 601
- The Texas A&M University System Comprehensive Compliance Plan
- State of Texas SMTP Car Rental Contract

¹ Refer to Education Code/Title 3/Subtitle D/Chapter 88/Subchapter B/Sec. 88.116/Article V