
SECTION 18

GOVERNMENT VEHICLES

18.08 VEHICLE INSURANCE/ACCIDENT REPORTING

AUTHORITY: TREASURY BOARD

ADMINISTRATION: RISK MANAGEMENT AND INSURANCE SECTION
TREASURY BOARD SECRETARIAT
GOVERNMENT DEPARTMENTS

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18.08 VEHICLE INSURANCE/ACCIDENT REPORTING

(1) PURPOSE

- (a) Government Fleet Auto Insurance is part of the total insurance program under the PEI Self Insurance and Risk Management Fund (SIRMF). This program is administered by the Risk Management and Insurance Section, Treasury Board Secretariat (RM&I).
- (b) Each Deputy Head will appoint a senior employee as the Department's Designated Insurance Representative (DIR) in accordance with Section 11.02 - Policy Statement of the Manual. Together with the Departmental Administrator, the DIR will have overall responsibility for the Department's vehicles respecting insurance and accident matters.

(2) APPLICATION

The application of this policy is referenced to the schedules of the *Financial Administration Act* (FAA) and applies as follows:

- Schedule "A" - Departments except the Legislative Assembly
- Schedule "B" - Crown corporations
- Schedule "C" - Education Authorities
- Schedule "D" - Commissions

except to the extent that their enabling legislation may incorporate alternate requirements such as Ministerial or Board Authority.

While this policy **does not apply** to the Legislative Assembly or Reporting Entities subject to alternate legislation, the **spirit and intent** of the policy should serve as a **guideline** for these entities in developing their own policies.

Note: This policy applies only to those entities covered by insurance through RM&I and which have received confirmation of coverage in writing from RM&I.

(3) DEFINITIONS

In this policy, the following definitions apply:

- (a) **"Designated Insurance Representative"** or **"DIR"** means the senior employee appointed by the Deputy Head in accordance with Section 11.02 (s.2) of the Manual, to act as the primary contact for the Department on insurance and risk management issues;
- (b) **"Government Fleet Auto Insurance"** has the meaning given to it in section (1)(a) above;

- (c) “**RM&I**” means the Risk Management and Insurance Section of the Treasury Board Secretariat; and
- (d) “**Third Party**” means a party who is not the Insured or the Insurer, and who has, may have or asserts that they have a claim against the Insured to which the Insurer must respond on the Insured’s behalf.

(4) **COVERAGE**

- (a) At present, the Government Fleet Auto Insurance carries Third-Party liability coverage subject to a Third-Party property damage liability claim deductible of \$1,000, with the exception of the Education Authorities which are subject to a \$2,500 deductible per claim. Coverage limits are assessed regularly.
- (b) RM&I handle claims of physical damage for vehicles registered to Government or its Departments. **In these situations, Departments are responsible for the payment of the initial deductible of \$1,000.** This coverage does not extend to the Education Authorities, Crown corporations, or other non-departmental Government entities.
- (c) Most vehicles owned or leased by Government are included in the above coverage, with some exceptions. Confirmation of insurance coverage may be obtained by contacting RM&I. These vehicles should be input to the Fleet Management System administered by the Department of Transportation and Infrastructure.
- (d) Notwithstanding the above, vehicles rented for thirty (30) days or less, are not covered under the Government Fleet Auto Insurance. Each department is responsible to arrange the necessary insurance coverage with the rental agency. Insurance coverages that may be provided by credit card companies for vehicle rentals often have limitations which include large deductibles. In general, insurance purchased directly from rental car agencies provides better coverage in the event of a claim. In the case of an accident with a rental unit, the normal reporting procedures will apply, however, the vehicle insurers will respond to the claim.

Note: For further information on applicable insurance coverage, consult with RM&I.

(5) **VEHICLE REPORTING**

RM&I requires a quarterly listing of all vehicles to be covered by the Government Fleet Auto Insurance. Therefore, each department is responsible for reporting, via the Fleet Management System (FMS) (see Section 18.09 - Fleet Management System of the Manual) all vehicles (owned or leased) in its fleet. In addition to those vehicles reported on the FMS, the Department of Transportation and Infrastructure is responsible for monthly reporting of all contractors’ equipment and service vehicles on the Maintenance Management System.

(6) ACCIDENTS/PROCEDURES

- (a) All accidents involving Government-owned and leased vehicles must be reported to RM&I and to the TI Light Fleet Manager by the Designated Insurance Representative regardless of the amount of damage.
- (b) Following any type of accident involving a Government operated vehicle, the driver should **never** admit liability even if they believe they could be at fault. Employees will immediately:
 - (i) arrange for first aid or medical aid to the injured;
 - (ii) notify the police of the accident if the damage to both vehicles is over \$1,000, or if there are any unusual circumstance surrounding the accident;
 - (iii) obtain the name and addresses and contact information (telephone number and email address) of other parties involved (drivers and passengers);
 - (iv) obtain all details of the other vehicle(s) including year, make, model, license plate number and colour of the other vehicle(s);
 - (v) obtain the names, addresses and contact information of any witnesses;
 - (vi) obtain the insurance information for the Third-Party including name of insurance company, policy number and expiry date along with name of the agent or broker; and
 - (vii) notify the employee's supervisor and the Designated Insurance Representative.
- (c) All losses involving bodily injury to Third Parties or losses exceeding \$5,000 should be reported immediately to RM&I by phone at (902) 368-6170 or by email at rmiclaims@gov.pe.ca.
- (d) Losses are to be reported to RM&I and TI's Light Fleet Manager via an Accident/Loss Report Form within 48 hours of occurrence provided health of driver permits. This form should be completed by the involved employee in cooperation with their supervisor (a sample of the Accident/Loss Report Form can be obtained by contacting RM&I). The report should be concise, include **all** pertinent information and be signed by the driver and their supervisor and then be provided to the Designated Insurance Representative who is responsible to submit to RM&I.
- (e) Injuries to a Government employee should be reported to the Workers Compensation Board by the injured employee within 48 hours.
- (f) RM&I will assess each case and determine the appropriate disposition for each incident.
- (g) For damage to a fleet vehicle **that does not exceed \$2,000**, two repair estimates/quotations should be obtained and submitted to RM&I via the DIR. RM&I must review these estimates/quotations prior to the work being authorized. Provided all estimates include all of the accident-related damage, payment will be based upon the low estimate. The repair invoice should be forwarded directly to RM&I for payment. Any applicable deductible will be invoiced to the Department by RM&I

upon completion of the claim.

- (h) The Light Fleet Manager, with the assistance of the DIR, should review each case when damage has occurred to a departmental vehicle with a view to determine the necessity or feasibility of having the vehicle repaired. For example, if damage to a vehicle is so minor (mainly cosmetic) that it would have no impact on the vehicle's ability to function or on its highway safety requirements, it may not be necessary to have such repairs carried out. In other cases, it may make economic sense to trade the vehicle "as is".
- (i) In the case of a leased vehicle insured by SIRMF, RM&I and/or the Light Fleet Manager will notify the lessor of the accident and negotiate an agreement on repairs.
- (j) When an accident involves vehicle-to-vehicle impact between a Government fleet/leased vehicle and one or more Third-Party vehicles, the Third Party should be referred to their own insurer even if they claim that the operator of the Government vehicle was at fault. The loss and all pertinent information must still be reported to RM&I.

(7) PAYMENT OF DAMAGES/DEDUCTIBLES

- (a) Departments are responsible for the \$1,000 deductible applicable to repair costs incurred for damage to Government vehicles in an accident unless a Third-Party driver of a vehicle insured under a motor vehicle liability policy is at fault for the incident. To the extent the Third-Party driver is liable, the Department's deductible will be waived. Any applicable deductible will be invoiced to the Department by RM&I upon completion of the claim.
- (b) Departments will be responsible for any costs incurred for temporary replacement vehicles while the Government vehicle is being repaired unless another motorist who is insured by a motor vehicle liability policy is responsible for the accident. In such a case, the Department will be advised by RM&I of the option to rent a vehicle and rental arrangements can be made by the Department or by the repair facility, with an invoice being submitted to RM&I for reimbursement. In instances where a suitable replacement vehicle is available from the existing fleet inventory, TI may arrange for a vehicle to be loaned internally while the vehicle is being repaired.
- (c) In the case where a damaged vehicle is considered a write-off for functional or economic reasons and where a permanent replacement vehicle is required, RM&I will contribute an amount not to exceed the actual cash value of the vehicle, less salvage value, less the \$1,000 deductible towards the cost of acquiring a replacement vehicle.
- (d) Where claims involve damage to Third-Party property other than automobiles (e.g., Government vehicle slides into a building), Insureds are responsible for payment of a \$1,000 property damage deductible, with the exception of the Education Authorities who are subject to a \$2,500 deductible per occurrence. All Third-Party liability claims

will be investigated, negotiated and settled by RM&I. Upon settlement of property damage claims, deductibles will be collected by RM&I from the Insured.

(8) INTERPRETATION

In cases where an interpretation is required, such should be referred to the Risk Management and Insurance Section of the Treasury Board Secretariat, for interpretation or referral of the matter to the Secretary to Treasury Board, if a Board decision is deemed to be necessary.