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AGENDA COVER MEMO

Date: June 22, 2005

To: Board of County Commissioners

From: Legal Counsel (D. Williams, Asst. Co. Counsel)



Title: IN THE MATTER OF AMENDING CHAPTER 2 OF THE LANE MANUAL TO EXPLICITLY STATE LIMITS ON UNINSURED MOTORIST COVERAGE and TO DELETE OUTDATED REFERENCES TO INSURANCE

I. MOTION:

MOVE APPROVAL OF Order No. _____, IN THE MATTER OF AMENDING CHAPTER 2 OF THE LANE MANUAL TO EXPLICITLY STATE LIMITS ON UNINSURED MOTORIST COVERAGE

II. ISSUE OR PROBLEM.

As a self-insurer, Lane County is required to provide uninsured motorist (UM) coverage, but the Board has not explicitly stated that the County has chosen to provide the statutory minimum in UM coverage.

III. DISCUSSION

A. Background. ORS 278.215(2) provides that the County, as a self-insuring local public body, must provide the uninsured motorist (UM) coverage required by the insurance code. The UM coverage required extends to employees or passengers injured in a collision with an uninsured motorist, even if the employees or passengers are also entitled to worker's comp benefits.

The County has previously applied the minimum statutory limit to UM claims, but the Board has not adopted an order explicitly stating an election of the statutory limit.

B. Analysis.

Absent an election of a lower limit in writing by the insured, the insurance code provides that UM limits are the same as liability limits for bodily injury. ORS 742.502(2)(a). This provision is designed to protect the insured. As a self-

insured entity, we are both the insurer and the insured, so an election in which we inform ourselves of a choice may seem unnecessary, but the absence of a written statement of choice permits an argument that our UM limits are higher than the statutory minimum and are the same as our liability limits under the Tort Claims Act, *i.e.*, at least \$100,000. The amendments would eliminate that argument.

The proposed amendments to the LM would reflect that the County has chosen, in the sense of an election among choices, to provide no more than any statutory minimum required UM coverage. We do not presently appear to have the choice to provide no UM coverage. Under present law, the minimum UM coverage required would be \$25,000, the same as the minimum amount under the financial responsibility law. ORS 742.502(2)(a); 806.070.

The order also corrects an out-of-date reference in LM 2.550 to insurance. That provision was adopted in 1984, but it has been out-of-date since the mid-198's when the County chose to become self-insured.

C. Alternatives/options

1. Adopt the proposed LM changes, continuing and ratifying prior practice of applying the statutory minimum;
2. Adopt a level of UM coverage higher than the statutory minimum.

D. Recommendation.. Alternative 1. Amend the Lane Manual to reflect election of statutory minimum UM coverage.

E. Timing. There are no unusual timing issues.

IV. **IMPLEMENTATION/FOLLOW-UP.** Publication of new Lane Manual provisions.

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO.

IN THE MATTER OF AMENDING CHAPTER 2 OF THE LANE MANUAL TO EXPLICITLY STATE LIMITS ON UNINSURED MOTORIST COVERAGE AND TO DELETE OUTDATED REFERENCES TO INSURANCE (LM 2..550 and LM 2.625)

The Board of County Commissioners of Lane County orders as follows:

Lane Manual Chapter 2 is hereby amended by removing, substituting, and adding the following section:

DELETE THIS SECTION

2.550
as located on page 2-39
(a total of 1 page)

2.625
as located on page 2-41
(a total of 1 page)

INSERT THIS SECTION

2.550
as located on page 2-39
(a total of 1 page)

2.625
as located on page 2-41
(a total of 1 page)

Said section is attached hereto and incorporated herein by reference. The purpose of this substitution and addition is to explicitly state limits on uninsured motorist coverage and to delete outdated references to insurance (LM 2.550 and LM 2.625).

Adopted this _____ day of _____ 2005.

Chair, Lane County Board of Commissioners

APPROVED AS TO FORM

Date 6/7/05 Lane County


OFFICE OF LEGAL COUNSEL

**EMPLOYEES AND VOLUNTEERS OPERATION OF PERSONAL
AUTOMOBILES ON COUNTY BUSINESS**

2.550 Policy Statement.

With Department Head approval, employees and volunteers may use their own personal automobiles on County business, provided they carry the following minimum amounts of insurance on their vehicles: \$25,000 each person and \$50,000 each accident or occurrence for bodily injury and \$10,000 for property damage. As a self-insured entity, Lane County has not and does not provide uninsured motorist coverage beyond the statutorily required minimum amount, if any. *(Revised by Order No. 83-11-30-2, Effective 1.1.84)*

(c) Any misuse of County owned vehicles or equipment or negligence on the part of any employee in the use of the same may be cause for disciplinary action.

(d) The operator(s) and assigned Department shall be responsible for maintaining vehicles in accordance with procedures specified in the Administrative Procedures Manual.

(3) Operators. County vehicles will be operated by County officials, employees or other persons as designated by a Department Director. Such persons will use County vehicles only in connection with official County business. Operators of the County vehicles shall not pick up hitchhikers and will use discretion in transporting other persons.

(4) County Vehicle Pool. Fleet User Committee shall recommend to the County Administrator the number and type of vehicles required to maintain an efficient and economical pool. It shall also recommend the number and location of pools to be operated.

(5) Mileage Rates. The Support Services Manager shall recommend annual Fleet rental rates to the County Administrator at the beginning of each fiscal year. Rates shall be based on the previous fiscal year actual costs of ownership and operation. The Support Services Manager shall be responsible for Interdepartmental billings and shall submit to the Fleet User Committee, when requested, a monthly or quarterly report as to the actual vehicle cost.

(6) Accidents. In the event of an accident, the employee operating the vehicle should take the following steps:

(a) Stop.

(b) Ascertain if anyone is injured. If so, take action for obtaining ambulance and medical care.

(c) Request that the local police come to the scene.

(d) Follow reporting procedures as specified in the Administrative Procedures Manual.

(e) User Departments are financially responsible for all vehicle accidents involving employee or vehicles assigned to the Department.

(f) Accident expenses incurred shall be billed directly to Risk Management. Risk Management shall bill the user Department for any costs not collected from a third party.

(7) Uninsured Motorists. As a self-insured entity, Lane County has not and does not provide uninsured motorist coverage beyond the statutorily required minimum amount, if any (*Revised by Order No. 89-5-31-3, Effective 5.31.89*)

| At right margin indicates changes

Bold indicates material being added

~~Strikethrough~~ indicates material being deleted

2.550

Lane Manual

2.550

EMPLOYEES AND VOLUNTEERS OPERATION OF PERSONAL AUTOMOBILES ON COUNTY BUSINESS

2.550 Policy Statement.

With Department Head approval, employees and volunteers may use their own personal automobiles on County business, provided they carry the following minimum amounts of insurance on their vehicles: \$25,000 each person and \$50,000 each accident or occurrence for bodily injury and \$10,000 for property damage. ~~The County's insurance policy will cover employees and volunteers using their own cars over these minimum personal limits up to a maximum total coverage of \$2,000,000. The County coverage does not include any collision or comprehensive insurance. The County's policy in carrying this insurance on employees and volunteers using their own cars is to allay the natural fears which such employees and volunteers have in utilization of their vehicles for County business and the accompanying potential of expanding the scope and level of risk of liability. As a self-insured entity, Lane County has not and does not provide uninsured motorist coverage beyond the statutorily required minimum amount, if any.~~ **As a self-insured entity, Lane County has not and does not provide uninsured motorist coverage beyond the statutorily required minimum amount, if any.** *(Revised by Order No. 83-11-30-2, Effective 1.1.84)*

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2.625

Lane Manual

2.625

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