

<h1 style="margin: 0;">MANAGEMENT MEMO</h1>	NUMBER: 23-01	
	EFFECTIVE DATE: JULY 1, 2023	
SUBJECT: STATE MOTOR VEHICLE INSURANCE ACCOUNT; 2023-24 FISCAL YEAR ASSESSMENT		
ISSUING AGENCY: DEPARTMENT OF GENERAL SERVICES	EXPIRES: END OF FISCAL YEAR	SUPERSEDES: 22-01

Purpose

To provide state agencies information on their State Motor Vehicle Insurance Account (SMVIA) assessment for the 2023-24 Fiscal Year (FY).

Authority

Government Code Sections 11290 (a), 16378, 16379, SAM 2420

Definitions

None

Policy

Pursuant to State Administrative Manual (SAM) Section 2420, the Department of General Services (DGS) administers the State Motor Vehicle Liability Self-Insurance Program (VELSIP), which provides unlimited self-insured liability coverage for the state, agencies, and employees who operate covered self-propelled land vehicles on state business.

Background

The DGS administers the SMVIA. The SMVIA is funded through assessments charged to state agencies that utilize vehicles/equipment for their operations.

The SMVIA funds are utilized to pay claims for damages as a result of the ownership or operation of motor vehicles used in the course and scope of state employment. The assessment reflects the projected amount to be expended to pay claim settlements and administrative expenses such as adjusting and defense costs.

The 2023-24 FY assessment calculations are based on each state agency’s claim experience for the last five calendar years ending December 31, 2022.

STATE ADMINISTRATIVE MANUAL

State agencies that own more than 300 vehicles are rated on their own claims experience; State agencies with fewer than 300 vehicles are generally grouped together, and experience rated as though they were one entity.

Appendix A reflects the 2023-24 FY assessments for 24 separately rated departments in the “All Other” Departments group.

The assessment for the “All Other” Departments category will be distributed to departments in this group, on a per vehicle basis, using the reported vehicle inventory as of December 31, 2022, from the DGS Office of Fleet and Asset Management. The average rate for this group is calculated at \$274 per vehicle.

Requirement(s)

N/A

Procedures

State agencies can help minimize and/or reduce losses by following state policies and recommended practices on vehicle use and operator requirements:

- Employees who operate vehicles on official business must have a valid California driver’s license and a good driving record.
- Agencies shall participate in the Department of Motor Vehicles (DMV) “Pull Notice Program” if they have employees who operate vehicles on official business as a condition of employment for Class A, B, or Class C drivers’ licenses with special certificates.
- Authorized drivers should be permanent State employees.
- Drivers under the age of 18 may not operate State vehicles under any circumstances.
- Employees who operate vehicles on official business should attend and successfully complete an approved defensive driver training course at least once every four years. Online training is available at:
<https://www.dgs.ca.gov/ORIM/Services/Page-Content/Office-of-Risk-and-Insurance-Management-Services-List-Folder/Enroll-in-Defensive-Driver-Training>
- Employees operating their private vehicle on official business must complete a STD. 261, Authorization to Use Privately Owned Vehicles on State Business. This form certifies liability insurance for the minimum financial responsibility limits as set forth in statute. Additionally, the employee certifies the vehicle is adequate for the work, equipped with operating safety belts and is in safe mechanical condition.
- Report all vehicle accidents within 48 hours to the Office of Risk & Insurance Management (ORIM) using the STD. 270, Vehicle Accident Report form. The form is available online at www.dgs.ca.gov/orim/forms.

STATE ADMINISTRATIVE MANUAL

Resources

- [Statewide Forms Directory](#) to access STD 261 and STD 270 Forms
- [Report Vehicle Accident Involving State Employees](#)
- [Defensive Driver Training](#)

Contact Information

Questions concerning the **State Motor Vehicle Insurance Account 2023-24 Fiscal Year Assessment** should be directed to:

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Approval

Ana Lasso Digitally signed by Ana Lasso
Date: 2023.06.02 14:29:49
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Ana M. Lasso, Director
Department of General Services

APPENDIX A

Department	2023-24 Assessment	2022-23 Assessment
Cal Fire	\$3,013,425	\$ 3,071,043
Conservation Corps	\$85,913	\$ 202,005
Consumer Affairs	\$571,241	\$ 402,333
Corrections	\$3,696,264	\$ 2,801,912
Developmental Services	\$15,433	\$ 8,272
District Ag Associations	\$44,808	\$ 549,948
Employment Development Dept.	\$244,265	\$ 194,298
Emergency Services	\$1,027,876	\$ 445,707
Fish and Wildlife	\$564,476	\$ 597,843
Food & Agriculture	\$691,849	\$ 476,242
General Services	\$5,380,098	\$ 4,716,953
Highway Patrol	\$16,898,331	\$ 14,153,824
Insurance	\$47,804	\$ 113,097
Judicial Council	\$32,389	\$ 50,589
Justice	\$137,609	\$ 183,447
Lottery	\$147,197	\$ 124,668
Motor Vehicles	\$326,861	\$ 198,249
Parks & Rec	\$1,654,928	\$ 957,715
Prison Industry Auth.	\$24,068	\$ 25,524
State Hospitals	\$38,918	\$ 58,121
State University	\$2,641,852	\$ 1,960,598
Transportation	\$16,333,434	\$ 13,278,383
Veterans Affairs	\$14,158	\$ 17,728
Water Resources	\$329,342	\$ 477,450
All Others	\$531,337	\$ 479,197
Total	\$54,493,876	\$ 45,545,147

*District Agricultural Association group includes California Exposition.

**Per vehicle charge is \$274.

***Total includes expected claims to be paid, administrative.