

STATE OF MONTANA



PROPERTY/CASUALTY INSURANCE FY 2010

DEPARTMENT OF ADMINISTRATION
RISK MANAGEMENT & TORT DEFENSE DIVISION

P.O. Box 200124 • Helena, Montana • 59620-0124
(406) 444-2421 • www.rmtd.mt.gov



TABLE OF CONTENTS

	<u>Page</u>
PROGRAM INFORMATION	3
INSURANCE PROCUREMENT AND ADMINISTRATION	4
PRIMARY AND EXCESS INSURANCE	4
GENERAL PROVISIONS	4
GLOSSARY	5
PROPERTY/CASUALTY INSURANCE OVERVIEW	6
SCHEDULE OF POLICIES, LIMITS, AND DEDUCTIBLES	7
INSURANCE COVERAGE SUMMARIES	8
Accidental Death & Dismemberment	8
Aircraft	9
Airport	10
Auto	11
Boiler & Machinery	12
Crime	13
Fine Art	14
Foreign	15
HIPAA (University of Montana)	16
Professional Liability (Student Interns)	17
Property	18
Special Events	20
Surety Bond	22
Tort Liability	23
CERTIFICATES OF INSURANCE	24
INSURANCE PREMIUM ALLOCATION	25
INSURANCE PREMIUM DISCOUNT PROGRAMS	26
LOSS PREVENTION	29
CLAIM REPORTING	30

Program Information

The Risk Management & Tort Defense Division (RMTD) provides a broad array of services designed to protect state agencies and universities from the adverse effects of unexpected losses.

We Provide cost-effective, quality legal defense.

We Evaluate and resolve claims filed against the state in a timely and cost-effective manner.

We Administer a cost effective and comprehensive property/casualty insurance program for state agencies and universities. Most coverage, except workers' compensation and employee benefits, are centrally purchased by RMTD.

We Consult with state agencies and provide loss prevention training and guidelines to mitigate risk and reduce exposure to claims and losses.

<i>Administration</i>	<i>Ext.</i>
Division Administrator-Brett Dahl	3687
Chief Defense Counsel-Bill Gianoulis	2438
Accounting Technician-Cathy Meidinger	3600
Administrative Assistant-Deb Lopuch	9843
Legal Secretary-Lori Caplis	2512
<i>Legal Defense</i>	
Associate Counsel-Vacant	
Associate Counsel-Mike King	2403
Associate Counsel- Pam Snyder-Varns	4507
Associate Counsel-Lee McKenna	1816
Legal Investigator- Vacant	2485
Legal Investigator-Margaret Sampsel	3562
<i>Loss Control</i>	
Property-Aric Curtiss	3486
Auto, Other-John Duezabou	0195
<i>Insurance/Finance</i>	
Division Administrator-Brett Dahl	3687
Risk Finance Specialist-Kristie Rhodes	4509
<i>Property/Liability Claims</i>	
Senior Claims Adjuster-Marjorie Adams	2422
Claims Specialist-Jennie Younkin	7996
<i>All extensions begin (406) 444-XXXX.</i>	

Insurance Procurement & Administration

Overview

In accordance with §2-9-201, MCA, the Risk Management & Tort Defense (RMTD) Division administers a comprehensive insurance plan for state agencies.

The plan includes auto, aviation, liability, property, and any other policies of insurance that the division deems reasonable after consultation with state agencies. Agencies should not purchase insurance without the prior approval of RMTD.

Commercial insurance is periodically bid on a competitive basis through an insurance agent. The inception date of the state's commercial insurance policies coincides with the fiscal year (i.e. July 1st). Most insurance policies expire on June 30th but 'rollover' to the next fiscal year on July 1st.

Primary and Excess Insurance

Losses that are limited in size and are unlikely to occur in large numbers are self-insured. In order to maintain cost-effective insurance protection, the state purchases some commercial insurance on an 'excess basis'.

Excess insurance 'sits above' a high deductible and features broader coverage and high policy limits. Excess insurance is specifically designed to protect the state from catastrophic losses such as flood or earthquake.

A graphic summary of the state's insurance program may be found on page 6. A detailed summary of insurance coverage, policy limits, and deductibles may be found on page 7.

General Provisions

The insurance policies described in this booklet cover claims subject to the general conditions of coverage, covered locations, causes, activities, deductibles, and limits as indicated hereafter. Coverages are mandatory and require agency participation UNLESS otherwise indicated.

The information provided in this booklet is intended to assist state agencies to understand 'general' concepts and principles. The information does not alter or limit the provisions of the state's insurance policies or statutes. Do not attempt to interpret policy provisions.

Please contact our insurance staff at (406) 444-2421 if you have additional questions.

More specific information about insurance may be obtained from the division's website at <http://rmtd.mt.gov/insurance/propertycasualtyinsurance.asp>.

1. **Assignment:** State agencies shall not prejudice the state's interest in a claim by assigning the state's financial interests to any other person or entity.
2. **Notification:** State agencies shall notify the Risk Management and Tort Defense Division of the claim within 24 hours if the claim involves personal injury and 5 business days for all other claims. Claims not reported within 60 days may not be paid.
3. **Defense:** State agencies shall cooperate reasonably in the defense of a case.
4. **Risk Exposure Data:** State agencies must provide annual Risk Exposure Reports to the Risk Management & Tort Defense Division by January 15th of each fiscal year.
5. **Remittance:** Premiums, co-insurance, and deductible billing information will be sent to each state agency at the beginning of the biennium. State agencies shall remit paid premiums to the Risk Management and Tort Defense Division by September 1st of each fiscal year.
6. **Renewal:** All self-insurance policies are continuous unless notice is otherwise provided to state agencies. All commercial insurance policies are subject to renewal annually.
7. **Territory:** Coverage is generally provided for state agencies in the U.S. and Canada, provided that claims are made or suits are settled within these territories. For coverage outside of these territories, please contact the Risk Management & Tort Defense Division.
8. **Course and Scope of Employment:** In accordance with §2-9-305, MCA, a state employee is not be covered under the state's insurance plan if the conduct upon which the claim is based constitutes a criminal offense, the employee compromises or settles the claim without the consent of the state, or the employee fails to cooperate in the defense of the claim.

Glossary of Terms

Accident for purposes of boiler & machinery insurance means a sudden and accidental breakdown of an insured object, or a part thereof, which manifests itself at the time of an occurrence by physical damage to the object or part thereof.

Actual cash value means the historical purchase price of property less accumulated depreciation.

Aircraft means any fixed wing aircraft or rotorcraft reported by a state agency and includes propulsion, operating, navigation, and radio systems usually attached thereto.

Airport means an airport reported by a state agency, the ways and means immediately adjoining thereto, including other premises used by the state in connection with the business of the state.

Automobile means a land motor vehicle, trailer, or semi-trailer designed for travel on public roads including any attached machinery or equipment and “mobile equipment” if reported.

Broker means an individual or organization under contract to assist the state in the procurement and administration of insurance.

Claim means a claim against the state for monetary damages, which any person is legally entitled to recover as damages because of personal injury or property damage caused by a negligent act or wrongful act or omission of the state.

Deductible means the amount paid by a state agency or the Risk Management & Tort Defense Division before a commercial insurance payment is applied to a loss.

Disappearance for purposes of aircraft insurance means missing and not reported within 30 days after commencing the last known flight for purposes of aviation insurance.

Exclusion means an activity, event, or asset that is not covered by insurance.

Fine art means any object of rare and historic value including, but not limited to, bronzes, statues, paintings, clothing, furniture, valuable papers, artifacts, etc.

Liability means a claim for personal injury or property damage that may arise from a negligent act or omission of the state.

Limit means the amount of insurance coverage that is available to pay a claim for a specified risk.

Market value means the price a willing buyer would pay for an object given its fair market value and considering depreciation and other factors.

Mobile equipment means a land vehicle, to include machinery or any apparatus attached thereto, whether or not self-propelled, which is not subject to motor vehicle registration, maintained for use exclusively on premises owned by or rented to the State of Montana.

Money means currency, coins, bank notes in current use and having a face value, traveler’s checks, register checks and money orders held for sale to the public.

Occurrence means continuous or repeated exposure to a condition(s), which results in bodily injury or property damage during a policy period.

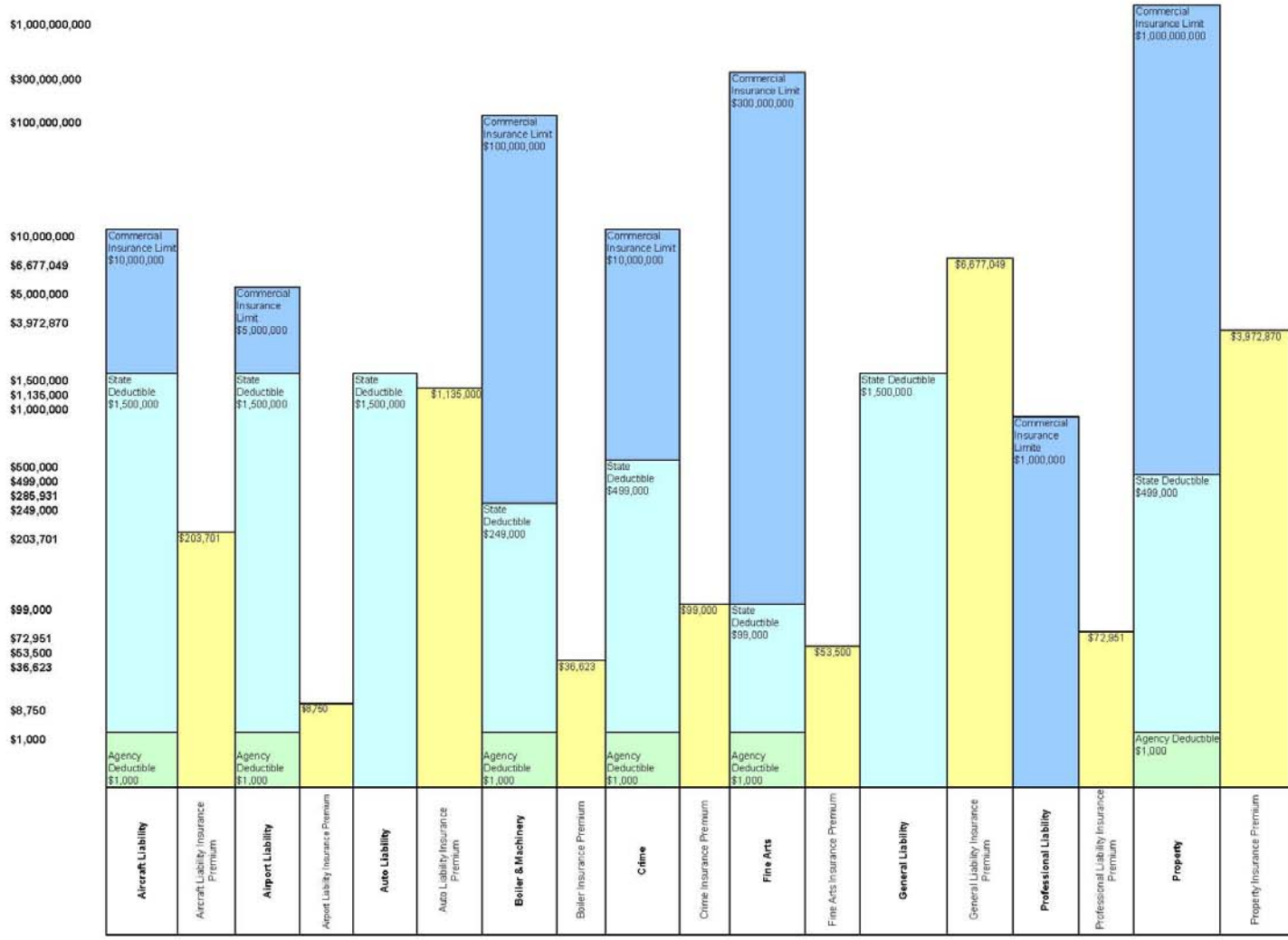
Personal injury means any injury resulting from libel, slander, malicious prosecution, false arrest, bodily injury, sickness, disease, or death sustained by any person and caused by an occurrence for which the state may be held liable.

Property damage means any injury or destruction to tangible property including the loss of use thereof, caused by an occurrence for which the state may be held liable.

Replacement cost value means the lesser of the cost to repair or replace an object with like and similar kind and quality to comply with current building code.

Special risk for purposes of foreign insurance means coverage provided for kidnap & extortion including ransoms and other reasonable expenses to locate and repatriate victims.

STATE OF MONTANA
PROPERTY/CASUALTY INSURANCE PROGRAM
FY10



Note: The diagram above provides a graphic depiction of the general structure of the State of Montana's property/casualty insurance coverages and in no way represents all lines of insurance or sub-limits currently in effect.

Accidental Injury/Death/Dismemberment (Montana University System Only)

A summary of insurance coverage is provided below. The coverage provided under this policy only applies to volunteers who provide direct service for sponsored events or activities in the Montana University System. This summary does not alter or amend coverage provided in statute or under the state property/casualty insurance program. Do not attempt to interpret coverage provisions, specific coverage exclusions or conditions may apply. To learn more about this coverage or to obtain program requirements, please visit our website at <http://rmtd.mt.gov/insurance/propertycasualtyinsurance.asp> or contact the Risk Management & Tort Defense Division at (406)444-2421. To apply for insurance coverage, please contact your insurance coordinator at <http://rmtd.mt.gov/insurance/insuranceprocurementadministration.asp>.

1. **Insurer:** National Union Fire.
2. **Broker:** Willis of New York.
3. **Term of Coverage:** 7/1 to 6/30 each fiscal year subject to annual renewal.
4. **Accidental Injury:** reasonable medical expenses incurred while participating in a volunteer activity sponsored by a university, excluding lost wages.
5. **Accidental Death:** indemnity benefit while participating in a volunteer activity sponsored by a university.
6. **Accidental Dismemberment:** indemnity benefit for injury or loss of a body member while participating in a volunteer activity sponsored by a university.
7. **Exclusions:** This policy does not cover any loss caused in whole or in part by, or resulting in whole or in part from the following:
 - A. Suicide or any attempt at suicide or intentionally self-inflicted injury or any attempt at intentionally self-inflicted injury.
 - B. Sickness, disease or infections of any kind; except bacterial infections due to an accidental cut or wound, botulism or ptomaine poisoning.
 - C. The insured's commission of or attempt to commit a felony.
 - D. Declared or undeclared war, or any act of declared or undeclared war.
 - E. Full-time active duty in the armed forces, National Guard or organized reserve corps of any country or international authority.
 - F. Travel or flight in or on (including getting in or out of, or on or off of) any vehicle used for aerial navigation, if the insured is:
 - i. Riding as a passenger in any aircraft not licensed for the transportation of passengers for hire.
 - ii. Performing, learning to perform or instructing others to perform as a pilot or crew member of any aircraft.
 - G. Any condition for which the insured is entitled to benefits under any Workers' Compensation Act or similar law.
 - H. The insured being under the influence of drugs or intoxicants, unless taken under the advice of a physician.
8. **Limit:** \$50,000 per claim for accidental injury, \$10,000 accidental death benefit, % of the accidental death benefit for dismemberment depending upon body part dismembered.
9. **Deductible:** The deductible is paid by the volunteer unless otherwise agreed upon with the respective university campus.

Aircraft Excess Insurance Summary

A summary of insurance coverage is provided below. This summary does not alter or amend coverage provided in statute or under the state property/casualty insurance program. Do not attempt to interpret coverage provisions, specific coverage exclusions or conditions may apply. To learn more about this coverage or to obtain program requirements, please visit our website at <http://rmtd.mt.gov/insurance/propertycasualtyinsurance.asp> or contact the Risk Management & Tort Defense Division at (406)444-2421. To apply for insurance coverage, please contact your insurance coordinator at <http://rmtd.mt.gov/insurance/insuranceprocurementadministration.asp>.

1. **Insurer:** Catlin Insurance Company.
2. **Broker:** Mountain Air Aviation Services.
3. **Term:** 7/1 to 6/30 each fiscal year.
4. **Liability Coverage:** Bodily injury & property damage, including defense costs, which the state is legally obligated to pay others as a result of the negligent operation of an owned aircraft (10 seats or less) or non-owned aircraft (40 seats or less).
5. **Hull (i.e. Physical Damage) Coverage:** Physical damage for state-owned aircraft including disappearance and search & rescue efforts associated with recovery of the aircraft. Physical damage for non-owned aircraft up to 90 days for legal liability only. For an additional premium charge, non-owned aircraft may be insured for claims that do not arise from legal liability (i.e. arson, fire, flood, wind, hail, etc.) by contacting the Risk Management & Tort Defense Division.
6. **Special Conditions:** In order for full coverage to be in effect, state-owned aircraft must be reported to the Risk Management & Tort Defense Division immediately. Newly acquired aircraft are automatically covered up to 90 days subject to a policy limit of \$2,000,000. Non-owned aircraft are automatically covered up to 90 days for legal liability subject to a limit of \$13,000,000. Owned and non-owned aircraft used beyond 90 days must be reported in order for coverage to apply.
7. **Territory:** Varies by policy.
8. **Exclusions:** Coverage will not apply if the aircraft is piloted by a pilot not approved by the state, the pilot is not properly certified/qualified/rated by the FAA, the airworthiness certificate is not in full force, or losses arise from war, invasion, insurrection, riot, contamination, pollution, noise, electrical interference, etc.
9. **Limit:** Liability: \$10,000,000 liability per occurrence, excess of the state's tort damage cap of \$750,000 per claim, \$1,500,000 per occurrence. Physical Damage Coverage: Values reported by state agencies.
10. **Deductible:** There is an agency deductible of \$1,000 per occurrence for hull coverage. Any additional deductibles for hull damage are paid by the Risk Management & Tort Defense Division. The deductible for liability coverage is paid by the Risk Management & Tort Defense Division.

Airport Excess Liability Summary

A summary of insurance coverage is provided below. This summary does not alter or amend coverage provided in statute or under the state property/casualty insurance program. Do not attempt to interpret coverage provisions, specific coverage exclusions or conditions may apply. To learn more about this coverage or to obtain program requirements, please visit our website at <http://rmtd.mt.gov/insurance/propertycasualtyinsurance.asp> or contact the Risk Management & Tort Defense Division at (406)444-2421. To apply for insurance coverage, please contact your insurance coordinator at <http://rmtd.mt.gov/insurance/insuranceprocurementadministration.asp>.

1. **Insurer:** Catlin Insurance Company.
2. **Broker:** Mountain Air Aviation Services.
3. **Term:** 7/1 to 6/30 each fiscal year.
4. **Liability Covered:** Bodily injury or property damage arising from operation of an airport, construction or demolition, hangar keeper's liability, products and premises.
5. **Defense, Settlement, and Payments:** Defense costs, court costs, reimbursements, and other reasonable expenses.
6. **Territory:** Varies by policy.
7. **Exclusions:** Obligations of other insurers, use of alcohol, property owned/occupied/rented/leased except elevators or property such as baggage held in trust for safekeeping, operations performed on state property, property installed by contractors to be used in construction, property relinquished to others by the state, bodily injury or property damage caused by an automobile while off an airport unless responding to an aviation emergency, delay in performance of contract, etc.
8. **Deductible:** There is no agency deductible. The deductible is paid by the Risk Management & Tort Defense Division for liability coverage.
9. **Limits:** \$5,000,000 excess of the state's tort damage cap of \$750,000 per claim, \$1,500,000 per occurrence.

Auto Insurance Summary

A summary of insurance coverage is provided below. This summary does not alter or amend coverage provided in statute or under the state property/casualty insurance program. Do not attempt to interpret coverage provisions, specific coverage exclusions or conditions may apply. To learn more about this coverage or to obtain program requirements, please visit our website at <http://rmtd.mt.gov/insurance/propertycasualtyinsurance.asp> or contact the Risk Management & Tort Defense Division at (406)444-2421. To apply for insurance coverage, please contact your insurance coordinator at <http://rmtd.mt.gov/insurance/insuranceprocurementadministration.asp>.

1. **Insurer:** The State of Montana is self-insured.
2. **Broker:** Not applicable.
3. **Term:** Continuous.
4. **Liability Covered:** Defense against claims or lawsuits arising from property damage or personal injury to third parties arising from the operation as state vehicles as defined in this program binder.
5. **Agencies Covered:** All state agencies as defined in §2-9-101, MCA.
6. **Acts Covered:** All negligent acts of state employees provided they arise while using the state vehicle in an official capacity on behalf of the state (§2-9-305, MCA).
7. **Acts Excluded:**
 - A. Any personal injury or property which may be covered under a separate workers' compensation, auto, fire, property, or general liability policy.
 - B. The conduct of the employee constitutes a criminal offense.
 - C. The conduct upon which a claim is based constitutes oppression, fraud, or malice, or for any other reason does not arise out of the course and scope of employee's employment (§2-9-305, MCA).
 - D. Liability assumed under contract.
 - E. The employee failed to cooperate reasonably in the defense of the case.
 - F. The employee compromised or settled the claim without the consent of the Risk Management & Tort Defense Division.
8. **Comprehensive/Collision (i.e. Physical Damage) Coverage:** Provided upon request for all state-owned vehicles. Provided automatically for all other vehicles leased for less than 30 days, except motor pool vehicles, not under the auspices of the Department of Transportation, Motor Pool in Helena effective 7/1/01.
9. **Limit:** Statutorily defined at \$750,000 per claim, \$1,500,000 per occurrence for liability (§2-9-108, MCA). For comprehensive/collision coverage the limit is a reasonable determination of the market value (actual cash value) of the vehicle by the Risk Management & Tort Defense Division.
10. **Deductible:** Not applicable for liability (i.e. personal injury or property damage to third parties). There is an agency deductible of \$250 per occurrence for comprehensive/collision coverage on state owned or leased vehicles. Any additional deductibles above that amount are paid by the Risk Management & Tort Defense Division

Boilers & Machinery Insurance Summary

A summary of insurance coverage is provided below. This summary does not alter or amend coverage provided in statute or under the state property/casualty insurance program. Do not attempt to interpret coverage provisions, specific coverage exclusions or conditions may apply. To learn more about this coverage or to obtain program requirements, please visit our website at <http://rmtd.mt.gov/insurance/propertycasualtyinsurance.asp> or contact the Risk Management & Tort Defense Division at (406)444-2421. To apply for insurance coverage, please contact your insurance coordinator at <http://rmtd.mt.gov/insurance/insuranceprocurementadministration.asp>.

1. **Insurer(s):** Lexington U.S.A., Lexington London.
2. **Broker:** Driver Alliant Insurance Services (Newport Beach, CA.).
3. **Term of Coverage:** 7/1 to 6/30 each fiscal year.
4. **Cause of Loss Covered:** Sudden and accidental breakdown of an insured object or part of the object, with physical damage that requires repair or replacement.
5. **Property Covered:** Insured objects are:
 - A. Boilers, fired vessels, unfired vessels normally subject to vacuum or internal pressure other than weight of contents, refrigerating and air conditioning vessels and any metal piping and its accessory equipment.
 - B. Mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electric power (i.e. air conditioners, furnaces, and production machinery).
6. **Perils Excluded:** Exclusions are as indicated below, but are not all included. See policy form.
 - A. Nuclear hazard.
 - B. War and Military action.
 - C. Explosion, except from an explosion from a state object.
 - D. Earth movement.
 - E. Testing of equipment.
 - F. Lack of power.
 - G. Loss covered by other insurance.
 - H. Due diligence for loss for failure to use reasonable means to resume business.
7. **Valuation of Property:** At the time of accident the cost to repair or replace the property with like size, kind and quality of equipment. Business income lost for the time to repair or replace equipment and resume operations.
8. **Limits of Liability**
 - A. \$100,000,000 Breakdown, Extra Expense, etc.
 - B. \$10,000,000 Service Interruption.
 - C. \$10,000,000 Water Damage.
 - D. \$10,000,000 Consequential Damage.
 - E. \$10,000,000 Demolition/Debris Removal.
 - F. \$2,000,000 Electronic Data Processing Media.
 - G. \$10,000,000 Water Damage.
 - H. \$1,000,000 Hazardous Substances.
 - I. \$1,000,000 Ordinance or Law.
 - J. \$1,000,000 Perishable Goods.
9. **Deductibles:** There is an agency deductible of \$1,000 per occurrence for boiler and machinery coverage. Any additional deductibles above that amount are paid by the Risk Management & Tort Defense Division.

Crime (Fidelity) Insurance Summary

A summary of insurance coverage is provided below. This summary does not alter or amend coverage provided in statute or under the state property/casualty insurance program. Do not attempt to interpret coverage provisions, specific coverage exclusions or conditions may apply. To learn more about this coverage or to obtain program requirements, please visit our website at <http://rmtd.mt.gov/insurance/propertycasualtyinsurance.asp> or contact the Risk Management & Tort Defense Division at (406)444-2421. To apply for insurance coverage, please contact your insurance coordinator at <http://rmtd.mt.gov/insurance/insuranceprocurementadministration.asp>.

1. **Insurer:** Great American Insurance Company.
2. **Broker:** Willis of Seattle.
3. **Term:** 7/1 to 6/30 each fiscal year.
4. **Cause of Loss:**
 - A. Employee dishonesty (for money, securities, and other than money and securities), including faithful performance of duty.
 - B. Forgery or alteration of checks, drafts promissory notes, or similar written promises.
 - C. Computer fraud for fraudulent transfer of money and securities and other than money and securities.
 - D. Theft and Destruction of money and securities.
5. **Property Covered:** Money and securities and other convertible instruments and/or property other than money and securities.
6. **Coverage Exclusions:**
 - A. Concealment, misrepresentation, or fraud.
 - B. Employees cancelled under prior insurance.
 - C. Inventory shortages or losses.
 - D. Accounting errors or discrepancies.
 - E. Governmental action, loss from seizure or destruction of property by order of the government.
 - F. Expenses related to legal action.
 - G. Indirect loss.
 - H. Nuclear and radioactive contamination.
 - I. War and warlike action.
 - J. Employee cancelled under prior insurance, not covered under existing policy.
 - K. Inventory shortage that is dependent on computation of profit or loss.
 - L. Loss caused by an employee required by law to be individually bonded.
 - M. Loss caused by treasurer or tax collector.
7. **Valuation of Property:** Face value of money, securities or other property lost in U. S. currency at the rate of exchange on the day the loss was discovered. Replacement in kind of bonds and securities within certain limitations. Other property at replacement value.
8. **Limits of Liability:**
 - \$10,000,000 Public Employee Dishonesty and Faithful Performance.
 - \$10,000,000 Faithful Performance.
 - \$10,000,000 Forgery or Alteration.
 - \$10,000,000 Theft and Destruction.
 - \$10,000,000 Computer Fraud.
9. **Deductibles:** There is an agency deductible of \$1,000 per occurrence for crime coverage. Any additional deductibles above that amount are paid by the Risk Management & Tort Defense Division.

Fine Arts Insurance Summary

A summary of insurance coverage is provided below. This summary does not alter or amend coverage provided in statute or under the state property/casualty insurance program. Do not attempt to interpret coverage provisions, specific coverage exclusions or conditions may apply. To learn more about this coverage or to obtain program requirements, please visit our website at <http://rmt.d.mt.gov/insurance/propertycasualtyinsurance.asp> or contact the Risk Management & Tort Defense Division at (406)444-2421. To apply for insurance coverage, please contact your insurance coordinator at <http://rmt.d.mt.gov/insurance/insuranceprocurementadministration.asp>.

1. **Insurer:** AXA Art Corporation.
2. **Broker:** Willis of Seattle.
3. **Term of Coverage:** 7/1 to 6/30 each fiscal year.
4. **Cause of Loss Covered:** All risk of direct physical loss from any external cause except as excluded within the policy form.
5. **Property Covered:** Paintings, etchings, drawings, rare books, manuscripts, rugs, tapestries, statuary, and other bona fide works of art, or rarity, historic value, or artistic merit of all kinds, which is:
 - A. Property of the state.
 - B. Property of others on loan to the state.
 - C. Property of others offered as gifts to the state.
 - D. The state's interest in residuary gifts.
 - E. And also property of others loaned to the state for which the state has been instructed to insure and while in transit.
6. **Liability Coverage:** This policy covers the liability of the state as responsible party of all loaned properties for which the state has been instructed to insure.
7. **International Transportation Coverage:** The policy covers property of state and others that the state has been instructed to insure while at locations outside of the United States and Canada and while in transit. See policy for policy terms and conditions for shipments.
8. **Perils Excluded:** The policy has the following primary exclusions amongst others within the policy itself.
 - A. Wear and tear, gradual deterioration, moths, vermin, inherent vice, or loss sustained due to or resulting from any repairing, restoration, or retouching process.
 - B. Hostile or warlike action.
 - C. Loss or damage to property shipped under "on deck" Bills of Lading.
9. **Valuation of Property:** In the event of loss the valuation of property will be; Property of the State; Current market value at the time the damage occurs. Property acquired: Current market value at time of loss. Property on loan: Value agreed upon between owners and state provided it does not exceed market value.
10. **Limits of Liability:**
 - \$300,000,000 Named locations.
 - \$50,000,000 Unnamed locations.
 - \$50,000,000 Legal liability.
 - \$300,000,000 Transit worldwide.
11. **Deductibles:** There is an agency deductible of \$1,000 per occurrence for fine art coverage. Any additional deductibles above that amount are paid by the Risk Management & Tort Defense Division for any one loss except no deductible for legal liability.

Foreign Insurance Summary

A summary of insurance coverage is provided below. This summary does not alter or amend coverage provided in statute or under the state property/casualty insurance program. Do not attempt to interpret coverage provisions, specific coverage exclusions or conditions may apply. To learn more about this coverage or to obtain program requirements, please visit our website at <http://rmtd.mt.gov/insurance/propertycasualtyinsurance.asp> or contact the Risk Management & Tort Defense Division at (406)444-2421. To apply for insurance coverage, please contact your insurance coordinator at <http://rmtd.mt.gov/insurance/insuranceprocurementadministration.asp>.

1. **Broker:** Willis of Seattle.
2. **Insurance Carrier:** State agencies and universities are insured under separate foreign insurance policies through ACE U.S.A. Insurance. State agencies and the university system are both insured under the same insurance policy for foreign special risks through Great American Insurance.
3. **Term of Coverage:** 7/1 to 6/30.
4. **Parties Covered:** Directors, officers, and employees but excluding students.
5. **Coverages and Exclusions:**
 - Foreign Auto Liability and Physical Damage
 - Foreign Medical (Employer's Responsibility)
 - Foreign General Liability
 - Foreign Special Risk
 - Executive assistance services in the event that there is a medical or political emergency subject to all terms, conditions and exclusions of the state's foreign insurance policy. Employees are encouraged to carry wallet sized foreign insurance identification card with them. Please contact the Risk Management & Tort Defense Division for additional information.
6. **Claim Reporting:** To obtain claims assistance for foreign insurance or foreign special risk claims, please contact a staff member at the Risk Management & Tort Defense Division at <http://rmtd.mt.gov/claims/contactus.asp>.
7. **Foreign Travel Information** - For additional information on foreign travel, the following links are provided:
 - View the U.S. Department of State, Travel Information , at http://travel.state.gov/travel/cis_pa_tw/tw/tw_1764.html.
 - View the U.S. Department of Homeland Security, Travel Security & Procedures, at <http://www.dhs.gov/index.shtm>.
 - View the U.S. Customs & Border Protection, Know Before You Go, at <http://www.cbp.gov/xp/cgov/travel/vacation/kbyg/>.

HIPAA Insurance Summary

(University of Montana Only)

A summary of insurance coverage is provided below. The coverage provided under this policy only applies to pharmacy interns at the University of Montana. This summary does not alter or amend coverage provided in statute or under the state property/casualty insurance program. Do not attempt to interpret coverage provisions, specific coverage exclusions or conditions may apply. To learn more about this coverage or to obtain program requirements, please visit our website at <http://rmtd.mt.gov/insurance/propertycasualtyinsurance.asp> or contact the Risk Management & Tort Defense Division at (406)444-2421. To apply for insurance coverage, please contact your insurance coordinator at <http://rmtd.mt.gov/insurance/insuranceprocurementadministration.asp>.

1. **Insurer:** NAS Insurance Services, Encino, California.
2. **Broker:** Willis of Seattle.
3. **Term of Coverage:** 7/1 to 6/30 each fiscal year.
4. **Cause of Loss Covered:** Reimbursement for governmental fines associated with violations of HIPAA.
5. **Liability Coverage:** Reimbursement for defense costs associated with violations of HIPAA.
6. **Panel Attorneys:** 100% reimbursement for fines and defense costs if panel attorneys as selected by NAS insurance services are utilized. Otherwise, applicable costs are reimbursed only to 75%.
7. **Perils Excluded:** The policy has the following primary exclusions among others within the policy itself.
 - A. Insurance disputes.
 - B. Expenses or fines initiated by insured.
 - C. Defense costs associated with criminal prosecution.
 - D. Acts prior to the inception date of the policy which were known and concealed.
 - E. Arising from other than an insured event.
 - F. Exemplary, punitive, or related damages.
 - G. Professional liability.
 - H. Medical malpractice.
8. **Limits of Liability:** \$500,000 per occurrence.
9. **Deductibles:** There is a \$5,000 deductible per occurrence to be paid by the University of Montana except there is no deductible for legal liability.

Professional Liability Insurance Summary

(Montana University System Only)

A summary of insurance coverage is provided below. The coverage provided under this policy only applies to student interns in the Montana University System. The summary does not alter or amend coverage provided in statute or under the state property/casualty insurance program. Do not attempt to interpret coverage provisions, specific coverage exclusions or conditions may apply. To learn more about this coverage or to obtain program requirements, please visit our website at <http://rmtd.mt.gov/insurance/propertycasualtyinsurance.asp> or contact the Risk Management & Tort Defense Division at (406)444-2421. To apply for insurance coverage, please contact your insurance coordinator at <http://rmtd.mt.gov/insurance/insuranceprocurementadministration.asp>.

1. **Insurer(s):** CNA Insurance and Evanston Insurance.
2. **Broker:** Willis of Seattle.
3. **Term of Coverage:** 7/1 to 6/30 each fiscal year.
4. **Cause of Loss Covered:** Negligent acts and omissions.
5. **Liability Coverage:** Personal injury, bodily injury, and property damage arising arising from student participation in internships required for graduation. The Montana University System is named as 'additional insured'.
6. **Limits of Liability:** \$1,000,000 per occurrence, \$5,000,000 aggregate per year.
7. **Deductibles:** n/a

Property Insurance Summary

A summary of insurance coverage is provided below. This summary does not alter or amend coverage provided in statute or under the state property/casualty insurance program. Do not attempt to interpret coverage provisions, specific coverage exclusions or conditions may apply. To learn more about this coverage or to obtain program requirements, please visit our website at <http://rmtd.mt.gov/insurance/propertycasualtyinsurance.asp> or contact the Risk Management & Tort Defense Division at (406)444-2421. To apply for insurance coverage, please contact your insurance coordinator at <http://rmtd.mt.gov/insurance/insuranceprocurementadministration.asp>.

1. **Insurer(s):** Lexington U.S.A., Lexington of London, Lloyd's of London, Great American.
2. **Broker:** Driver Alliant Insurance Services (Newport Beach, California).
3. **Term:** 7/1 to 6/30 each fiscal year.
4. **Cause of Loss Covered:** All risk of direct physical loss to damaged property to its estimated replacement cost value at the time of loss, subject to coverage exclusions and conditions. Coverage applicable includes, but is not limited to; fire, explosion, windstorm, hail, riot, vandalism and malicious mischief, earthquake, and flood.
5. **Property Covered:** All real and personal property owned or leased by the state or for which the state is legally obligated to insure. Coverage includes vehicles garaged at state locations, business income, electronic data processing media/equipment, landscaping, golf courses, athletic fields, tunnels, bridges, catwalks, dams, jewelry, furs, precious metals, stones, watercraft, and rolling stock.
6. **Perils Excluded:** The policy does not insure against loss resulting by any of the following:
 - A. Loss or damage caused by or resulting from moth, vermin, termites or other insects, inherent vice, latent defect, faulty workmanship, error in design or materials, wear and tear and gradual deterioration, contamination, pollution, corrosion, rust, wet or dry rot, mold, dampness of atmosphere, smog or extremes of temperature.
 - B. Delay or loss of markets.
 - C. Infidelity or any dishonesty on part of the insured, including inventory shortage or unexplained disappearance.
 - D. Loss from nuclear perils.
 - E. Loss from war, rebellion, insurrection or by order of any government or public authority.
 - F. Loss or damage to personal property caused by processing, renovating, repairing or faulty workmanship.
 - G. Loss or damage to personal property resulting from shrinkage, evaporation, loss of weight, exposure to light or change of color, texture or flavor.
 - H. Loss or damage to property due to changes of temperature or changes in relative atmosphere, humidity where personal property is left in the open.
 - I. Loss or damage to steam boilers, pipes, turbines, or engines directly caused by bursting, rupture, cracking, or explosion originating therein.
7. **Property Excluded:** The policy excludes the following types of property:
 - A. Aircraft, watercraft and vehicles licensed for road use (except when garaged in or within 1000' of building).
 - B. Railroad rolling stock, except that of Montana Heritage Commission.
 - C. Land, bodies of water, standing timber, and growing crops.
8. **Valuation of Property:** The actual expenditure for repair or replacement of damaged or destroyed property for real and personal property and with regard to loss of income, the loss incurred for the time to rebuild, replace or repair the property. For vehicles damaged, the actual cash value, except for fire engines.

9. Limits of Liability:

\$1,000,000,000	All perils, per occurrence
\$ 400,000,000	Earthquake
\$ 100,000,000	Flood (\$5,000,000 Flood Zone A)
\$ 100,000,000	Business Income (rental value included)
\$ 100,000,000	Terrorism (PEPIP Members combined)
\$ 50,000,000	Course of Construction
\$ 40,000,000	Expediting Expenses
\$ 40,000,000	Extra Expense
\$ 40,000,000	Errors & Omissions
\$ 25,000,000	Automatic Acquisition
\$ 25,000,000	Transit
\$ 25,000,000	Increased Cost of Construction
\$ 25,000,000	Off-Premises Service Interruption
\$ 10,000,000	Service Interruption (Time Element)
\$ 5,000,000	Business Income Toston Dam Only
\$ 5,000,000	Scheduled Landscaping
\$ 2,500,000	Money & Securities
\$ 2,500,000	Unscheduled Fine Arts
\$ 2,500,000	Watercraft up to 27 feet
\$ 2,500,000	Contingent Business Interruption
\$ 2,500,000	Research Animals
\$ 1,000,000	International property
\$ 500,000	Unscheduled tunnels, bridges, dams, catwalks, etc.
\$ 500,000	Jewelry, Furs, Precious Metals, and Stones
\$ 500,000	Claims Preparation Expenses
\$ 1,000,000	Personal Property Outside the U.S.

10. Deductibles:

There is an agency deductible of \$1,000 for fine art coverage. Any additional deductibles for property coverages are paid by the Risk Management & Tort Defense Division.

Special Event Liability Insurance Program

A summary of insurance coverage is provided below. This summary does not alter or amend coverage provided in statute or under the state property/casualty insurance program. Do not attempt to interpret coverage provisions, specific coverage exclusions or conditions may apply. To learn more about this coverage or to obtain program requirements, please visit our website at <http://rmtd.mt.gov/insurance/propertycasualtyinsurance.asp> or contact the Risk Management & Tort Defense Division at (406)444-2421.

1. State agencies and universities are the stewards of valuable properties including buildings, equipment, land, water, and recreational sites. Public and private organizations outside of Montana State Government often request permission to use these facilities for official functions and/or recreational activities. State facilities or universities occasionally sponsor fundraisers, recreational activities, or gala events that may further the state's mission. However, some of these activities may present an unusually high degree of risk and result in claims or lawsuits. Such events may, therefore, warrant special events liability insurance as opposed to insurance provided under the state's self-insured program.

2. Complete TULIP Application

For events sponsored by a tenant/user, please complete the Tenant/User Liability Insurance Application at <http://rmtd.mt.gov/insurance/tulip.asp> and send it to Cathy Meidinger, Risk Management & Tort Defense Division, P.O. Box 200124, Helena, Montana, 59620-0124, cmeidinger2@mt.gov, (406)444-3600. For special events or high risk activities sponsored by a state agency that may fall outside the scope of the state's self-insured program such as fireworks, parades, athletic events, and concerts, please complete the Nominee Event Application at <http://rmtd.mt.gov/insurance/tulip.asp> and send it to Brett Dahl, Risk Management & Tort Defense Division, P.O. Box 200124, Helena, Montana, 59620-0124, bdahl@mt.gov, (406)444-3687. Please submit the appropriate TULIP application at least 15 business days in advance of an event to allow enough lead time to secure coverage.

3. Notification of Coverage

You will be notified by the Risk Management & Tort Defense Division in writing of the insurance carrier's decision to approve or deny insurance coverage for each event within 5 business days. Each event will be rated in accordance with the schedules provided in the Special Event Liability Insurance Guidelines and Procedures Manual <http://rmtd.mt.gov/insurance/tulip.asp> and the insurance premium will be determined from the hazard schedule therein. If the event is not approved for insurance coverage, you must instruct your tenant/user/instructor to secure his/her own coverage through a licensed insurance agent in Montana. The state must be named as an additional insured on the tenant's/user's/instructor's insurance for any use of state premises. Any exception must be approved by the Risk Management & Tort Defense Division.

4. Insurance Premium Payments

For tenant/user events each agency is responsible to collect the insurance premium from its tenant/user before each event commences. Agencies will be billed on a quarterly basis for tenant/user and nominee event premium in accordance with the Special Event Reporting Schedule <http://rmtd.mt.gov/insurance/tulip.asp> maintained by the Risk Management & Tort Defense Division. Agencies must remit payment to the Risk Management & Tort Defense Division by April 5th, July 5th, October 5th, and January 5th each year. Failure to make payment will result in cancellation of your coverage and disqualification from the state's TULIP program. The Risk Management & Tort Defense Division will remit quarterly premiums to Driver Alliant Insurance Services, Special Events, P. O. Box 6450, Newport Beach, CA 92658 by April 15th, July 15th, October 15th, and January 15th of each year.

5. Certificates of Insurance

Certificates of insurance will be issued by Cathy Meidinger, Risk Management & Tort Defense Division. Your agency will receive a copy of each certificate that is issued.

6. **Acknowledgement of Risk**

Waivers of liability are illegal in Montana; however, your agency must prepare an "Acknowledgement of Risk Form" to be signed by participants in all athletic events. Guidelines may be found at the Risk Management & Tort Defense Division's web site at http://rmtd.mt.gov/aboutus/files/waivers_of_liability.doc. Signed "Acknowledgement of Risk Forms" for all athletic events must be sent to Cathy Meidinger, Risk Management & Tort Defense Division.

Surety Bond Summary

(DPHHS Only)

A summary of insurance coverage is provided below. The coverage provided under this policy is optional and does not apply to state agencies, except the Department of Public Health & Human Services. This summary does not alter or amend coverage provided in statute or under the state property/casualty insurance program. Do not attempt to interpret coverage provisions, specific coverage exclusions or conditions may apply. To learn more about this coverage or to obtain program requirements, please visit our website at <http://rmtd.mt.gov/insurance/propertycasualtyinsurance.asp> or contact the Risk Management & Tort Defense Division at (406)444-2421.

1. **Insurer:** Hartford Insurance Company.
2. **Broker:** Willis of Seattle.
3. **Term of Coverage:** 7/1 to 6/30 each fiscal year.
4. **Cause of Loss Covered:** Patient funds lost, misappropriated, or mismanaged at state institutions.
5. **Coverage:** The surety reimburses patients for funds lost or misappropriated and then seeks reimbursement from the institution in which the funds were entrusted.
6. **Limits of Liability:** Amount of patient funds held in trust as reported by each institution.
7. **Deductible:** There is no deductible.

Tort Liability Insurance Summary

A summary of insurance coverage is provided below. This summary does not alter or amend coverage provided in statute or under the state property/casualty insurance program. Do not attempt to interpret coverage provisions, specific coverage exclusions or conditions may apply. To learn more about this coverage or to obtain program requirements, please visit our website at <http://rmtd.mt.gov/insurance/propertycasualtyinsurance.asp> or contact the Risk Management & Tort Defense Division at (406)444-2421. To apply for insurance coverage, please contact your insurance coordinator at <http://rmtd.mt.gov/insurance/insuranceprocurementadministration.asp>.

1. **Insurer:** The State of Montana is self-insured.
2. **Broker:** Not applicable.
3. **Term:** Continuous.
4. **Liability Covered:** Defense against claims or lawsuits arising from property damage or personal injury to third parties arising from the operation as state vehicles as defined in this program binder.
5. **Agencies Covered:** All state agencies as defined in §2-9-101, MCA.
6. **Acts Covered:** All negligent acts of state employees provided they arise while using the state vehicle in an official capacity on behalf of the state (§2-9-305, MCA).
7. **Acts Excluded:**
 - A. Any personal injury or property which may be covered under a separate workers' compensation, auto, fire, property, or general liability policy.
 - B. The conduct of the employee constitutes a criminal offense.
 - C. The conduct upon which a claim is based constitutes oppression, fraud, or malice, or for any other reason does not arise out of the course and scope of employee's employment (§2-9-305, MCA).
 - D. Liability assumed under contract.
 - E. The employee failed to cooperate reasonably in the defense of the case.
 - F. The employee compromised or settled the claim without the consent of the Risk Management & Tort Defense Division.
8. **Comprehensive/Collision Coverage:** Provided upon request for all state-owned vehicles. Provided automatically for all other vehicles leased for less than 30 days, except motor pool vehicles, not under the auspices of the Department of Transportation, Motor Pool in Helena effective 7/1/01.
9. **Limit:** Statutorily defined at \$750,000 per claim, \$1,500,000 per occurrence for liability (§2-9-108, MCA). For comprehensive/collision coverage the limit is a reasonable determination of the market value (actual cash value) of the vehicle by the Risk Management & Tort Defense Division.
10. **Deductible:** Not applicable for liability (i.e. personal injury or property damage to third parties). There is an agency deductible of \$250 per occurrence for comprehensive/collision coverage on state owned or leased vehicles.

Certificates of Insurance

State agencies are often requested to furnish proof of insurance in contracts or leases in order to satisfy contractors, lessors, or other parties. Managers, supervisors, and employees ultimately have responsibility for contacting the Risk Management & Tort Defense Division to procure a certificate of insurance when it is required by law or by contract.

Auto Liability Insurance

Most state-owned vehicles typically contain a Certificate of Insurance for Auto Liability in the glove box. If your vehicle does not have one, it may be downloaded from the Risk Management & Tort Defense Division's website at <http://rmt.d.mt.gov/insurance/certofins1.asp>. For leased or courtesy vehicles, agency personnel are responsible to download the certificate of auto liability insurance from the division's website <http://rmt.d.mt.gov/insurance/certofins1.asp> and assure that it is in the vehicle.

**DEPARTMENT OF ADMINISTRATION
RISK MANAGEMENT AND TORT DEFENSE DIVISION**

BRIAN SCHWITZER, GOVERNOR FO BOX 20924

STATE OF MONTANA

TELEPHONE (406) 444-2421 HELENA, MONTANA 59620-9224
FAX (406) 444-2592

CERTIFICATE OF INSURANCE FOR AUTOMOBILE LIABILITY

This certificate is issued by the Department of Administration under the authority granted by § 2-3-101, MCA through § 2-9-305, MCA to state-owned motor vehicles. This certificate is not an insurance policy. It is not a contract and does not create any contract or right to sue for contract liability. It does not provide actual coverage, but coverage provided by the relevant insurance company.

This certificate, by the State of Montana through the Department of Administration provides the following coverage by the following:

Kind of Insurance	Effective Date	Limits
Auto Liability (includes Auto)	continuous	Per Claim \$ 750,000 Per Occurrence \$1,500,000 Comprehensive Collision ACV less \$250.00
Automobile Physical Damage	n/a	Per Occurrence \$500,000,000

Coverage in accordance with the Tort Claims Act, Title 2, Section 2, Chapter 12, Montana Code Annotated and ARM 2-9-2020 as respects vehicles or vehicles loaned by the State of Montana, to officers, officials, employees, and independent servants on the above dates.

Should any material change occur, the Department of Administration will endeavor to notify the certificate holder of such changes by mail or email (not by fax) and to issue a new certificate. No failure to do so shall impinge on certificate holder's liability or any third party's liability.

Name & Address of Certificate Holder
The State of Montana, Department of Administration
c/o State employees and services
in accordance with 2-9-101 through
2-9-305 and ARM 2-9-2020.

By: *Dustin K. Rhoda*
Dustin K. Rhoda, Risk Finance Specialist
State of Montana
Department of Administration

(AN EQUAL OPPORTUNITY EMPLOYER)

Other

All other certificates of insurance must be obtained from the Risk Management and Tort Defense Division. Certificates are not available for activities or employees that the Risk Management and Tort Defense Division does not insure. Example(s): Comprehensive/collision coverage on vehicles that agencies have chosen not to insure and state employees using personal vehicles (state employee's personal insurance coverage applies in an accident).

Please contact the Risk Management & Tort Defense Division at (406)444-2421 if you have additional questions.

Insurance Premium Allocation

In accordance with §2-9-202, MCA, the Risk Management & Tort Defense Division is responsible for the allocation of insurance premiums to state agencies subject to appropriations by the legislature. The philosophy of the Risk Management & Tort Defense Division is that each state agency should bear a proportionate share of premium commensurate with its loss experience and exposure.

The Risk Management & Tort Defense Division incurs significant expense in the investigation, defense, and settlement of claims and lawsuits. Agencies with higher losses will pay higher insurance premiums. No one agency is expected to bear the burden of paying for total costs of unexpected losses from its authorized budget. The Risk Management & Tort Defense Division allocates insurance premium as provided in the 2011 Biennium Decision Package Summary as follows:

Auto

Total auto premium collections of \$1,135,000 each year of the biennium is comprised of two separate insurance coverages:

	FY 2010	FY 2011
Auto comp/collision	\$417,252	\$445,432
Auto liability premium	\$717,748	\$689,568

Auto comp/collision premiums for FY 2010 and FY 2011 are based upon total values of reported vehicles. Auto liability insurance premium is \$717,748 in FY 2010 and \$689,568 in FY 2011, which represents a 10% and 14% reduction respectively, each year of the biennium. Premium reductions will be applied uniformly across agencies.

Aviation

Aviation premium of \$212,451 in FY 2010 and FY 2011 is allocated to those agencies that have aircraft based upon charges from commercial insurance carriers for each aircraft, depending on the year, make, model, and value of the aircraft. Airport premium is apportioned to those agencies that have airports based upon the number of airports.

General Liability

Total general liability premium of \$6,750,000 each year of the biennium is comprised of commercial coverage and self-insured coverage as follows:

	FY 2010	FY 2011
Commercial coverage	\$ 72,951	\$ 72,951
Self-insured coverage	\$6,677,049	\$6,677,049

Commercial coverage charges are negotiated with commercial insurance carriers. Self-insured coverage collections are \$6,677,049 in FY 2010 and FY 2011 (a 5 % reduction from the 2009 biennium). Reductions in premium each year of the biennium will be applied uniformly across agencies.

Property

Property insurance premium of \$4,200,000 is allocated to each agency based on its percentage of reported exposures (i.e. building replacement cost values, boilers & machinery, etc.).

A breakdown of insurance premium by agency may be found on the Risk Management & Tort Defense Division's website under "Insurance Premium Allocation" at <http://rmt.d.mt.gov/insurance/default.asp>.

FY2010 Automobile Insurance Premium Discount Program
Risk Management & Tort Defense Division
Department of Administration

Purpose & General Provisions:

The Risk Management & Tort Defense Division (RMTD) offers an auto insurance premium discount of 10% for state agencies and universities that participate in recognized defensive driving training and implement the State Vehicle Use Rule. The discount shall be applied against budgeted premium for auto insurance coverage in FY2011.

Requirements & Documentation:

Your agency must do the following during FY2010 to be eligible for the discount in FY2011:

- 1) Sign and return this notice of election form to John Duezabou at RMTD by June 15, 2009.
- 2) Have at least 5% of employee's complete defensive driving training sponsored or approved by RMTD. Number of employees is based upon reported FTE Count. Any state employee driver involved in a vehicular accident that resulted in a claim since July 1, 2005, must participate in the training.

RMTD Responsibilities:

- 1) Notify Risk Coordinators of the dates, times, and locations of RMTD training offered throughout FY2010. Training sponsored by RMTD is offered free of charge.
- 2) Maintain a list of employees who have completed RMTD sponsored defensive driver training during FY2010.
- 3) Recognize on a case-by-case basis other safe driving courses not sponsored by the division. Note: Participants should consult RMTD prior to enrolling employees in such courses.

Contact John Duezabou at (406) 444-0195 with any questions or for additional information.

-Notice of Election-	
_____ hereby elects to participate in RMTD's FY2010	
<i>(Organization)</i> Auto Insurance Premium Discount Program	
_____	_____
(Signature)	(Date)

Termination:

A participant may terminate its participation by providing written notice to the Risk Management & Tort Defense Division. The termination is effective as of the date of the written notice. This election is for FY2010 only. A separate election must be made in each subsequent year.

Each participant will be notified of their eligibility by July 1, 2010 as indicated below:

- Discount Approved** **Discount Disapproved**

Comments: _____

Notice of Election
FY2010 High Deductible Insurance Premium Discount Program
Risk Management & Tort Defense Division
Department of Administration

Purpose & General Provisions:

The Risk Management & Tort Defense Division (RMTD) offers a high deductible insurance premium discount on auto physical damage (comprehensive/collision) and property insurance. The purpose of the discount is to give state agencies and universities the opportunity to realize insurance premium savings through cost sharing and loss prevention.

Requirements and Documentation:

Standard deductibles for state agencies are \$250 per occurrence for auto physical damage claims and \$1,000 for property claims. In order to be eligible for a premium discount in FY2010, your agency must do the following:

- 1) Complete, sign, and return this "Notice of Election" form to Kristie Rhodes, RMTD by June 15, 2009.
- 2) Select a deductible below. Note: Participants are responsible to pay claims to the deductible level selected. Participants making no election will be assessed the standard deductible. Historical claims reference information may be obtained from your Risk Coordinator.

	<i>Elected Deductible</i>	<i>Premium Discount</i>
<input type="checkbox"/> Auto Physical Damage Standard	\$250	N/A
<input type="checkbox"/> Auto Physical Damage Option #1	\$500	5%
<input type="checkbox"/> Auto Physical Damage Option #2	\$1,000	10%
<input type="checkbox"/> Auto Physical Damage Option #3	\$2,500	20%
<input type="checkbox"/> Property Standard	\$1,000	N/A
<input type="checkbox"/> Property Option #1	\$2,500	5%
<input type="checkbox"/> Property Option #2	\$5,000	10%

- 3) Report all auto physical damage claims \$250 and above, and all property claims 1,000 and above to RMTD for immediate evaluation regardless of deductible selected. Instructions and forms for filing claims may be found at the RMTD website <http://rmtd.mt.gov/claims/agenciesreportclaims.asp>.

Contact Kristie Rhodes, RMTD at (406) 444-4509 with any questions or for additional information.

-Notice of Election-

_____ hereby elects to participate in RMTD's FY2010 High
(Organization)
Deductible Insurance Premium Discount Program as selected above.

_____ _____
(Signature) *(Date)*

Termination:

A participant may terminate its participation by providing written notice to the Risk Management & Tort Defense Division. The termination is effective as of the date of the written notice. This election is for FY2010 only. A separate election must be made in each subsequent year.

Each participant will be notified of their eligibility for the discount on July 1, 2009 as indicated below:

- Discount Approved**
 Discount Disapproved

Comments: _____

Notice of Election Form
FY2010 Property Loss Management Insurance Premium Program
Risk Management & Tort Defense Division
Department of Administration

Purpose & General Provisions:

The Risk Management & Tort Defense Division (RMTD) offers a property insurance premium discount of 10% to state agencies and universities that establish and maintain a comprehensive and effective Property Loss Management Program. The discount shall be applied against the participant's budgeted property insurance premium in FY2011.

Requirements and Documentation:

Participants must complete the following to be eligible for a premium discount in FY2011:

- 1) Sign and return this "Notice of Election" form to Aric Curtiss, RMTD, by **June 15, 2009**.
- 2) Submit the following written documentation to Aric Curtiss, RMTD, by **June 1, 2010**. Documentation should be organized in a binder to be provided by RMTD. Submitted materials are not returned, therefore, maintain supporting documentation. RMTD may verify participant documentation and compliance.
 - Schedule of preventative maintenance completed for key buildings during FY2010.
 - Checklists for self-inspections completed on key buildings during FY2010.
 - Policies and procedures for "hot works", "impairment testing of fire protection equipment", "pre-fire emergency planning", and "cold weather precautions" in force during FY2010.
- 3) Submit blueprints, plans and specifications for renovations or new construction involving or affecting fire suppression systems. RMTD and/or the state's property loss consultants will review materials for system density design, and other concerns. Property loss management recommendations may be made with reasonable follow-up expected of the participant.
- 4) Submit written response to recommendations contained in Property Loss Management letters issued by RMTD and/or its consultants. Responses must indicate that a reasonable effort to comply with recommendations is made.

Contact Aric Curtiss, RMTD at 444-3486 with any questions or for additional information.

~ Notice of Election ~	
_____ hereby elects to participate in RMTD's FY2010 Property Loss Management Insurance Premium Program.	
(Organization)	
Our agency contact person for this program is _____, _____	
(Name)	(E-mail)
_____	_____
(Signature)	(Date)

Termination:

A participant may terminate its participation by providing written notice to the Risk Management & Tort Defense Division. The termination is effective as of the date of the written notice. This election is for FY2010 only. A separate election must be made in each subsequent year.

Each participant will be notified of its eligibility for the discount by July 1, 2010 as indicated below:

Discount Approved

Discount Disapproved

Comments:

Loss Prevention

Agency losses stem from a variety of causes, but typically fall into four broad categories:

1. **Damage to Property** - Physical damage to aircraft, boilers & machinery, buildings, vehicles, and other state property.
2. **Liability to Others** - Legal liability to others arising from negligent acts or omissions.
3. **Loss of Income or Increased Costs** - Loss of revenue from income producing operations.
4. **Workers' Compensation Claims** - Employee accidents and injuries.

Through effective loss prevention programs, state agencies can reduce the underlying risk factors that often precede claims or losses; thus saving tax dollars and other resources.

RMTD provides consultative services, building appraisals, training, on-site inspections, building design reviews for engineering controls, and risk exposure evaluations.

Please contact our Loss Prevention staff for additional information at (406)444-2421. More specific information about loss prevention may be obtained from the division's website at <http://rmtd.mt.gov/safetylosscontrol/default.asp>.

Claims Reporting

In accordance with §2-9-303, MCA, the Risk Management & Tort Defense Division (RMTD) may settle any claim for personal injury/property damage in behalf of state agencies.

The division coordinates the settlement and adjudication of property and casualty claims except workers' compensation, group health, life, accidental death & dismemberment, and disability.

All other claims shall be filed with the agencies of state government or the university system responsible for administering those programs.

1. Timely and accurate reporting of claims is critical in order to protect the interests of the state and its employees. For reporting purposes, claims fall into one of three categories:
 - a. **Vehicle** - losses arising from the use of state owned, leased, or courtesy vehicles, mobile equipment, and watercraft.
 - b. **Personal Injury** - losses to 'non-state parties' arising from personal injury or property damage other than vehicles.
 - c. **Property** - losses to state property other than automobile and personal injury arising from perils such as hail, windstorm, earthquake, fire, theft, etc.
2. After an agency or university has suffered a loss, the employee most familiar with the incident should immediately notify his/her supervisor and complete a "Report of Incident" form <http://rmtd.mt.gov/claims/agenciesreportclaims.asp>. For vehicular accidents, guidelines about what information to collect and what to say and do at the accident scene may be found on the "Accident Form" <http://rmtd.mt.gov/claims/agenciesreportclaims.asp> in the vehicle glove box.
3. The immediate supervisor or designee will conduct an investigation to determine what happened, why it happened, and how the claim can be prevented from recurring.
4. Any catastrophic property loss or other loss which involves a fatality or bodily injury, should be telephoned by the immediate supervisor or designee to RMTD claims staff within 24 hours.
5. The immediate supervisor or designee must assure that a "Report of Incident" form <http://rmtd.mt.gov/claims/agenciesreportclaims.asp> is accurately completed, signed, and sent to RMTD within 5 business days. Claims that are not reported within 60 days may be denied.
6. A "Report of Incident" <http://rmtd.mt.gov/claims/agenciesreportclaims.asp> form should be initiated even if no injury or property damage resulted from the incident. An incident that occurs today with little consequence for the agency involved, may have serious consequences for others at some future date.
7. The "Report of Incident" form <http://rmtd.mt.gov/claims/agenciesreportclaims.asp> must contain only factual information. State personnel who are completing the reports **should exercise caution not to place blame on other state employees or admit liability**.
8. Do not furnish information on claims or lawsuits to unauthorized persons other than law enforcement officials. Obtain names and address of witness. Refer all other questions to RMTD.
9. In the event of a claim involving theft of money, securities, or other property, notify the police immediately and call RMTD claims staff as soon as possible.

10. Copies of the **Report of Incident** form shall be distributed as follows:

ORIGINAL

Risk Management and Tort Defense Division
1625 11th Avenue
P.O. Box 200124
Helena, MT 59620-0124

COPIES

Department of Transportation, Organizational Development Bureau for claims involving motor pool vehicles. One copy of each report shall be maintained by the respective agency. If possible, photographs and diagrams of the losses should also be provided.

11. Contact us. If a loss occurs during normal business hours you may reach any of our staff at their phone extensions <http://rmtd.mt.gov/aboutus/organizationstaff.asp> or call (406)444-2421. In the event of an emergency, after normal business hours call (406)444-2421 and press 1. for Marjie Adams, 2. for Jennie Younkin, or 3. for Brett Dahl. Your phone call will then be transferred to a live person. Follow the instructions at <http://rmtd.mt.gov/claims/agenciesreportclaims.asp> for filing a claim and send the 'Report of Incident' and other appropriate documentation to our office immediately.

OTHER VEHICLE INFORMATION						
Plate No./State:	VIN No.:	Make/Model/Year:				
Owner Name:						
Address:					Phone No.:	
Driver's Name:						
Address:					Phone No.:	
Insurance Co.:		Policy No.:			Phone No.:	
OCCUPANTS						
Name:	Address:	Age	State Veh.	Other Veh.	Injured Y - N	Describe Injury
			<input type="checkbox"/>	<input type="checkbox"/>		
			<input type="checkbox"/>	<input type="checkbox"/>		
			<input type="checkbox"/>	<input type="checkbox"/>		
WITNESSES						
Name:	Address:			Phone:		
PERSONAL INJURY						
Name of Injured:	Address:			Phone:		
Nature of Injury:						
Describe clearly how accident/injury occurred:						
<i>(use blank paper for additional information)</i>						
PROPERTY DAMAGE / OR LOSS						
State Property <input type="checkbox"/> Other <input type="checkbox"/>						
Describe clearly how property damage occurred:						
<i>(use blank paper for additional information)</i>						
Property Description (Give make, model, serial number when applicable)						
<i>(use blank paper for additional information)</i>						
Date	Reporting Person's Signature:					
Date	Supervisor's Signature:					
Date	Department Official's Signature:					