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# *Department of Administrative Services*
# *Risk Management Services*

## AUTOMOBILE PHYSICAL DAMAGE AGREEMENT

JULY 1, 2008 – JUNE 30, 2009

**State of Georgia Department of Administrative Services**
**Risk Management Services**

# AUTOMOBILE PHYSICAL DAMAGE AGREEMENT

Period of Coverage July 1, 2008 through June 30, 2009

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**STATE OF GEORGIA**
**AUTOMOBILE PHYSICAL DAMAGE AGREEMENT**
**No. APD-401-14-09**

This Agreement is issued by the Georgia Department of Administrative Services, pursuant to the authority granted by O.C.G.A. Section 50-16-9 to formulate a plan of self-insurance for property owned by the State of Georgia.

As used herein, the terms "you" and "your" refer to any State agency, authority, board, bureau, commission, department, or instrumentality described in the Named Covered Party section below. As used herein, the term "DOAS" refers to the Georgia Department of Administrative Services Risk Management (D.O.A.S.R/M).

Words and phrases that appear in quotation marks have special meaning and are defined herein. Refer to paragraph **F. DEFINITIONS** for definitions of such words and phrases.

**NAMED COVERED PARTY**
This is the Covered Party named in the Declarations Page which is made a part of this Agreement.

## A. PHYSICAL DAMAGE COVERAGE

1. DOAS provides the following Physical Damage coverages for "loss" to a covered "auto(s)" or its equipment only if so listed on the DOAS Automobile Register Inventory for physical damage coverage:

   **a. Collision Coverage**

   Caused by:
   **(1)** The covered "auto's" collision with another object; or
   **(2)** The covered "auto's" overturn.

   **b. Comprehensive Coverage**

   For any cause except:
   **(1)** The covered "auto's" collision with another object; or
   **(2)** The covered "auto's" overturn.

2. **Towing and Storage**
   DOAS will pay reasonable towing and storage costs arising out of a Collision or Comprehensive "loss" as specified in **D. Limit of Coverage**.

## B. COVERED "AUTOS"

This Agreement provides Physical Damage coverage for "autos described here under:

1. "Auto" owned by the Named Covered Party; or
2. "Auto" leased by the Named Covered Party provided that the length of the lease is in excess of 30 days. The "auto" must be leased in the name of the Named Covered Party named in the Declarations Page and not in the name of an individual or another party. A copy of the lease must be provided to DOAS when the "auto" is added to the Automobile Register Inventory.

The "auto" must be listed on the Named Covered Party's Automobile Register Inventory prepared by the Named Covered Party and submitted to DOAS-before the inception of the Agreement period or, if the "auto" is obtained by the Named Covered Party during the Agreement period, it must be added by a revision to the Automobile Register Inventory and submitted to DOAS. When a Covered Party carries automobile physical damage coverage through DOAS on an existing "auto", any newly acquired "autos" are automatically covered for a 30-day grace period from the date of the purchase or lease of the newly acquired "auto" provided that the newly acquired "auto" meets the requirements of **Covered "Autos"** as otherwise provided for in this coverage section.

## C. EXCLUSIONS

1. DOAS will not pay for "loss" caused by or resulting in whole or in part from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss":

   **a. Nuclear Hazard.**
   - **(1)** The explosion of any weapon employing atomic fission or fusion; or
   - **(2)** Nuclear reaction or radiation, or radioactive contamination, however caused.

   **b. War or Military Action**
   - **(1)** War, including undeclared or civil war;
   - **(2)** Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
   - **(3)** Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. DOAS will not pay for loss to any of the following:
   - **a.** Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment;
   - **b.** Any device designed or used to detect speed measuring equipment such as

radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measurement equipment;

**c.** Any electronic equipment that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound, unless such equipment is permanently attached to or installed to the "auto" in the opening normally used by the auto manufacturer for the installation of a radio or similar sound equipment;

**d.** Any accessories used with the electronic equipment described in Paragraph c. above.

**3. Other Types of loss**

**a.** DOAS will not pay for "loss" caused by or resulting from any of the following unless caused by other "loss" that is covered by this Agreement.

**(1)** Wear and tear, freezing, mechanical or electrical breakdown.

**(2)** Blowouts, punctures or other road damage to tires.

**b.** DOAS will not pay for "loss" caused by a collision between a Covered Party's covered "auto" and a Covered Party's other owned, leased or controlled property, including but not limited to buildings, signs, fences, posts, automobiles, mobile equipment, etc., situated on or adjacent to the Covered Party's premises.

**c.** DOAS will not pay for a "loss" arising from the non-state use of a covered "auto."

**4. Racing**

DOAS will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. DOAS will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.

## D. LIMIT OF COVERAGE

**1.** The most DOAS will pay for "loss" is the lesser of:

**a.** The "actual cash value" of the damaged or stolen "auto" as of the time of the loss; or

**b.** The actual value of the "auto" listed on the DOAS Automobile Register Inventory; or

**c.** The cost of repairing or replacing the damaged or stolen "auto" with like kind and quality.

If the covered "auto" is determined to be a total loss, the "loss" will be settled based on the value of the covered "auto" as shown as the retail value in the Automobile Dealers Association Book (NADA) at the time of the "accident" or some other valuation method utilized by DOAS.

A covered "auto" will be considered a total loss when the cost to repair the "auto" exceeds 65% of the retail value as established by NADA or some other valuation method utilized by DOAS.

2. The most DOAS will pay for towing and storage of a covered "auto" is: The actual cost of towing and storage of the covered "auto"; however, not to exceed a total combined sum of $400 unless there are special circumstances as determined by DOAS.

## E. DEDUCTIBLE

For each covered "auto", the obligation of DOAS to pay for, repair, return or replace the damaged or stolen "auto" will be reduced by the following applicable deductibles:

1. All Collision losses are subject to a $500 deductible per covered "auto".
2. All Comprehensive losses are subject to a $500 deductible per covered "auto", unless loss is due to fire or lightning, then no deductible applies.

## F. DEFINITIONS

1. **"Accident"** means an accident and includes continuous or repeated exposure to the same conditions resulting in "loss".

2. **"Actual Cash Value"** means replacement cost of the vehicle minus depreciation.

3. **"Auto"** means a land motor vehicle, "trailer" or semitrailer designed for travel on public roads but does not include "mobile equipment".

4. **"Loss"** means direct and accidental loss or damage including continuous or repeated exposure to the same conditions.

5. **"Mobile Equipment"** means a land vehicle to include any machinery or apparatus attached thereto, whether or not self-propelled, which is (1) not subject to the motor vehicle registration, (2) maintained for use exclusively on premises owned by or rented to the State of Georgia or any of its departments, including the right-of-way immediately adjoining such premises or (3) designed for use principally on off-public roads, or (4) designed and maintained for the sole purpose of affording mobility to the equipment of the following types and forming an integral part of or permanently attached to such vehicle: Power cranes, shovels, loaders, diggers and drills, cement mixers (other than mixed-in transit types), graders, scrapers, rollers and other road construction or repair

equipment, air compressors, pumps and generators, including spraying, welding, building cleaning equipment, geophysical exploration, farm machinery, lighting and well servicing equipment, cherry pickers and similar devices used to raise or lower workers.

6. **"Trailer"** includes semi-trailer.

## G. CONDITIONS

### 1. Abandonment

There can be no abandonment of an "auto" to DOAS.

### 2. Appraisal For Physical Damage Loss

If the Named Covered Party and DOAS disagree on the amount of the loss the Named Covered Party may request an appraisal of the loss. In such case, DOAS will select an appraiser and have the loss appraised. If the Named Covered Party is not satisfied with the appraisal, the Named Covered Party may procure an appraisal at its own sole cost and expense. If the two appraisers disagree, they will meet and attempt to reach an agreement as to the amount of the loss. If they are unable to agree, the two appraisers will select a competent and impartial umpire and will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will be responsible for paying its chosen appraiser and paying the other expenses of the appraisal and umpire equally. Even where an appraisal is conducted DOAS still retains the right to deny the loss within the terms of this Agreement.

### 3. Assignment

There shall be no assignment of this Agreement.

### 4. Duties Of Named Covered Party In the Event of Loss

If there is "loss" to a covered "auto" or its equipment you must do the following:

**a.** Report the "loss" immediately, but not later than 48 hours from the date of "loss" was discovered to DOAS at:

**GEORGIA DEPARTMENT OF ADMINISTRATIVE SERVICES**
**RISK MANAGEMENT SERVICES**
**12TH FLOOR-WEST TOWER**
**200 PIEDMONT AVE.**
**ATLANTA, GA 30334-9010**

Notice should include a description of how the "loss" occurred, a complete description of the "auto" as well as where the "auto" is presently located;

**b.** Take all reasonable steps to protect the covered "auto" from further damage, and keep a record of your expenses for consideration in the settlement of the claim;

**c.** Permit DOAS to inspect the covered "auto" and records proving the "loss" before its repair or disposition; and

**d.** Cooperate with DOAS in the investigation or settlement of the loss.

5. **Endorsement and Cancellation**
DOAS may endorse this Agreement at any time. This Agreement may be cancelled by DOAS upon notice to you, or by you mailing written notice to DOAS stating when thereafter the cancellation shall become effective. The time of the effective date stated in the notice shall become the end of the Agreement period. Mailing of such written notice shall be equivalent to delivery. In the event of cancellation, the premium shall be computed prorata. Premium adjustment may be made either at the time that cancellation is effective or as soon as practicable thereafter.

6. **Inspections and Surveys**
DOAS has the right but is not obligated to:
**a.** Make inspections and surveys at any time;
**b.** Give you reports on the conditions found; and
**c.** Recommend changes.
Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. DOAS does not make safety inspections. DOAS does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. DOAS does not warrant or represent that any of its recommendations, if followed, will render any condition safe or healthy or in compliance with any laws, regulations, rules, policies, codes or standards of any type.

7. **Loss Payment**
For covered losses, at its option, DOAS may:
**a.** Pay for, repair or replace damaged or stolen "auto";
**b.** Return the stolen "auto", at the expense of DOAS. Subject to the terms and Conditions of this Agreement and applicable deductibles, DOAS will pay for any damage that result to the "auto" from the theft.

DOAS will pay you for loss within 30 days after receipt of a satisfactory signed and notarized sworn proof of loss statement, accompanied by the necessary documentation to support the loss, or give you notice in writing what item(s) of the loss are in controversy.

8. **No Benefit to Others**
No person or organization other than you, being the owner of the covered "auto" will benefit from this Agreement under any circumstances.

9. **Notice and Proof of Loss**
**a.** Written notice of "loss" must be received by DOAS within 60 days after the "loss" was discovered;
**b.** Written Proof of Loss must be received by DOAS with full details of the "loss" within 120 days after the "loss" was discovered. If full details of the

"loss" are not known within 120 days, you may request an extension of time in which to file a proof of loss. Such request must be made in writing to DOAS and must be agreed to by DOAS.

**FAILURE TO FOLLOW EITHER OR BOTH OF THESE PROVISIONS WITHOUT WRITTEN AUTHORITY FROM DOAS MAY VOID YOUR COVERAGE FOR THE "LOSS".**

**10. Other Insurance**

If there is other insurance covering the same "accident" or "loss" involving a covered "auto", this Agreement will be excess over any other valid and collectable insurance.

**11. Recovered "Auto"**

If either you or DOAS recover an "auto" after loss settlement, the receiving party must give the other prompt notice. At your option, the "auto" will be returned to you. You must then return to DOAS the amount DOAS paid to you for the "auto". DOAS will reimburse you for recovery expenses and any expenses to repair the "auto". If the recovered "auto" is damaged and you want the "auto" returned, you must pay DOAS what is agreed to be the fair value of that damaged "auto" less recovery expenses.

**12. Reporting Procedures**

Notice of loss must be reported to DOAS within 48 hours from the date the "loss" was discovered. Notice must include a complete description of how the loss occurred and a description of the "auto" and where the "auto" is presently located.

**13. Risk Exposure Reporting & Premium Payment Requirements**

You are responsible for providing DOAS with accurate risk exposure information for covered "auto" necessary to calculate the premium for this Agreement. This information must be provided in a format prescribed by DOAS. At any time a covered loss occurs, reimbursement made by DOAS will be reduced by any outstanding premium owed.

**14. Subrogation**

If DOAS makes payment to you under this Agreement, and you have rights to recover damages from another party, those rights are transferred to DOAS. You must do everything necessary to secure DOAS' rights and must do nothing after the "accident" or "loss" to impair them. But you may waive your rights against

another party in writing prior to or after a "loss" if you have received written approval from DOAS.

**15. Territory**

This Agreement covers "losses" anywhere in the world.

DEPARTMENT OF ADMINISTRATIVE SERVICES
An Agency of the State of Georgia

Brad Douglas
Commissioner