

**0810.03 Obtaining Insurance or Risk Management Services  
and Associated Fees**

Issued: January 1, 1994  
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**SUBJECT:** Obtaining Insurance or Risk Management-Related Services and Associated Fees.

**APPLICATION:** Executive Branch Departments and Sub-units.

**PURPOSE:** To provide for equitable fees for coordination of insurance and other risk management related services among Executive Branch Departments and Sub-units.

**CONTACT AGENCY:** Department of Technology, Management and Budget (DTMB),  
State Building Authority (SBA)  
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**SUMMARY:** Agencies must acquire insurance and insurance-related services through, and in conformance with, established procedures of DTMB, State Building Authority pursuant to the Management and Budget Act, PA 431 of 1984, as amended. Risk management service fees will be assessed against each agency.

**APPLICABLE FORMS:** None.

**PROCEDURES:**

Agency:

- May request specific insurance coverage or risk management-related services from the State Building Authority (SBA).
- Provided with commercial insurance; auto liability insurance through the state's Vehicle Self-Insurance Fund; or risk management services, will be assessed the appropriate fees for obtaining that insurance. The administrative fee associated will be included as part of the insurance billing.
- Accepts all bills for insurance upon receipt.
- All requests for insurance coverage or the development of other insurance programs should be directed by phone or in writing to SBA.
- All claims for losses should be reported to SBA by calling 517-373-3808.
- No insurance should be acquired directly by any Executive Branch Department or Sub-unit. This does not include insurance that may be part of a contract (*i.e.*, insurance on a rental vehicle.)

#### State Building Authority:

- Evaluates the merit and feasibility of services requested.
- Provides the service or procures insurance coverage as deemed appropriate.
- Evaluates scope of requested services and determines appropriate fees.
- Informs agency of the fees and prepares interagency billing.

#### Insurances and Self-Insurances Provided:

- Motor Vehicle Self-Insurance:
  - Coverage provided in Ad Guide procedure 0820.01.
  - Fees are based on the number of agency-owned or leased vehicles, as indicated on the DTMB Vehicle Services Inventory Report.
  - An annual premium is developed to assure adequate funding to pay for actuarially determined incurred and paid losses for that policy year.
  - This total is spread among the vehicles owned/leased by each unit which are designated as either Class "A or B", "C" or "M" type:
    - Class A or B: Motor vehicles designed for operating legally on public roads. This excludes motorcycles.
    - Class C: Any non-class A or M motorized vehicle that is capable of transporting a person and which may, at times, operate on or in the right of way of public roads; and any trailer with more than one axle. (This includes, but is not limited to, golf carts, Gators, riding lawnmowers, and fork lifts.)
    - Class M: Any motor vehicle that meets the legal requirements of a motorcycle.
- Property Insurance:
  - Coverage provided for all SBA-bonded properties and other properties identified by the Agency and SBA as warranting coverage.
  - Fees are broken down by location and will be based on the total premium incurred by SBA, divided by the total value of all insured property, times the value of the specific location, plus an administrative fee.
- General Liability Insurance:
  - Coverage provided for all SBA-bonded properties and other properties identified by the Agency and SBA as warranting coverage.
  - Fees are broken down by location and will be based on the total premium incurred by SBA, divided by the total square footage of all insured property, times the square footage of the specific location, plus an administrative fee.
- Aviation Insurance:
  - Coverage provided for all state-owned aircraft.
  - Fees are charged per the insurer's list of premiums, plus an administrative fee.
- Builder's Risk Insurance:
  - Coverage provided for all state construction projects.
  - Fees are charged per the insurer's list of premiums, plus an administrative fee.
- Crime Insurance (employee dishonesty):
  - Coverage provided for all state employees.
  - Fees are broken down by Agency/Branch and will be based on total premium incurred by SBA, divided by the total number of employees, times the number of employees of the Agency/Branch, plus an administrative fee.
- Other Insurances:
  - Other coverage may be obtained in accordance with this procedure.
  - Fees will be broken down in the most effective way based off the way SBA incurs the premium.
  - SBA may, at its sole discretion, allow Agencies to acquire insurances on their own if a business case warrants it and it is in the best interest of the state as a whole.

Other Risk Management Services:

- If an Agency needs other Risk Management Services, such as risk evaluation, they may request SBA perform these services.
- Fees will be based on actual costs incurred by SBA, plus an administrative fee.

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