



STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
P.O. BOX 119
HONOLULU, HAWAII 96810-0119

January 20, 2009

COMPTROLLER'S MEMORANDUM 2009-03

TO: Heads of Departments and Agencies

FROM: Russ K. Saito, State Comptroller

SUBJECT: Auto Fleet Insurance Coverage

The State Risk Management and Insurance Administration program (Risk Management) provides both liability and physical damage coverage (comprehensive/collision and fire/theft) for State owned and leased vehicles.

This memorandum is being issued to clarify that physical damage coverage is optional, separately billed coverage that agencies can purchase to cover damage to their vehicles. Claim payments will not exceed the actual cash value (ACV) of the covered vehicle regardless of contractual amounts owed on a lease agreement. The ACV is obtained by averaging the blue book value and market sales on comparable vehicles.

If a vehicle is stolen or damaged and declared not repairable, the amount that Risk Management will cover will not exceed the ACV. If the ACV is less than the loan or the lease agreement, the agency will be responsible for the balance.

Questions on this memorandum should be directed to Ms. Julie Ugalde of the Risk Management Office at 586-0550.