

Chapter 278

1981 REPLACEMENT PART

Insurance for Public Bodies

DEFINITIONS

278.005 Definitions for ORS 278.005 to 278.135 and 278.200 to 278.215

INSURANCE OF PUBLIC PROPERTY

278.011 State agencies to submit appraisals of certain property; review

278.020 Restoration Fund; proportionate contributions by state agencies

278.022 State agencies to submit appraisals of vessels; contributions to fund

278.025 Contributions to fund reduced when supplemental insurance is purchased

278.030 Additional contributions to fund authorized in case of extraordinary hazard

278.035 Purchase of excess catastrophe insurance

278.040 Moneys in fund; administrative expenses

278.043 Additional assessment by state agencies to maintain fund

278.047 Authority to borrow and use other funds when Restoration Fund insufficient; repayment

278.050 Use of fund to restore lost or damaged property; reversion of moneys not disbursed; transfer of moneys to other agencies; deductible coverage; effect of supplemental insurance

278.052 Right of action against person responsible for loss; investigations

278.060 Rules

278.070 Certain laws not repealed

278.075 Appraisal of media property of state agencies; contribution to Restoration Fund; scope of media coverage

278.085 State agency insurance supplemental to that provided by Restoration Fund

278.100 Liability Fund established to provide insurance for state and participating local public body tort liabilities; management of fund by Department of General Services

278.105 State agency purchase of liability insurance to be approved by Department of General Services

278.110 Assessment of state agencies to provide insurance

278.115 Disposition of state agency assessments; use of moneys

278.120 Defense of claims by Attorney General; approval of settlements in excess of \$10,000; procedure for remedying deficiencies in Liability Fund

278.125 Purchase of insurance; payment of premium; legislative approval of self-insurance plan

278.130 Employment of staff assistance; payment for services by Attorney General

278.135 Investment of Liability Fund moneys; disposition of earnings

278.145 Transfers between Restoration Fund and Liability Fund

278.150 Special Liability Revolving Fund; accounting for moneys disbursed

INSURANCE FOR MOTOR VEHICLES OWNED BY GOVERNMENT

278.200 "Motor vehicle" defined for ORS 278.200 to 278.215

278.205 Department of General Services to issue certificates of insurance; coverage; personal injury protection benefits

278.210 State has rights and duties of insurer

278.215 Uninsured motorist coverage requirements

CROSS REFERENCES

Ownership of property by Oregon State Bar, 9 010

278.022

Insurance on state owned and operated ferries, 384.435

278.035

State purchasing generally, 279 710 to 279 791

278.040

Investing Restoration Fund, 293 701 to 293.776, 293.810 and 293 820

278.050

Department of General Services to reconstruct buildings damaged by fire, 276.246

Disposition of moneys received by state agency as payment for repair or replacement of damaged, destroyed, lost or stolen property, 283.240

Equipment pool of State Forester, 526.142 to 526 152

Insurance of horse barn facilities, 565 160

278.060

Rules of state agencies, 183 310 to 183 550

278.085

Insurance to supplement Restoration Fund for certain buildings, 276 128, 351.180

DEFINITIONS

278.005 Definitions for ORS 278.005 to 278.135 and 278.200 to 278.215. As used in ORS 278.005 to 278.135 and 278.200 to 278.215, unless the context requires otherwise:

(1) "Data" means information previously converted to language or symbols in a form which can be directly read by the information processing equipment.

(2) "Department" means the Department of General Services.

(3) "Engineering specifications" means those records which provide detailed documentation of the construction, wiring, arrangement and related engineering details of the information processing equipment.

(4) "Media" means all active information processing material including all forms of data, program material and related engineering specifications employed in the agency's information processing operation except property which the agency elects not to cover.

(5) "Participating local public body" and "public body" mean any public body other than the state which has elected to participate in the Liability Fund under ORS 30.282.

(6) "Personal property" means tangible personal property owned, leased, controlled or possessed by a state agency and includes all chattels and moveables, such as merchandise, furniture, goods, livestock, vehicles, moveable machinery, moveable tools, moveable equipment, general operating supplies and media. Personal property does not include cash, currency or negotiable papers and securities.

(7) "Program material" means stored data used to direct the information processing equipment as to which input or memory to use, how to use it, and the type of results to obtain, including any diagrams or other records which can be used to reproduce such instructions.

(8) "Property" means real and personal property as defined in subsections (6) and (9) of this section.

(9) "Real property" means the land and all buildings, structures, improvements, machinery, equipment or fixtures erected on, above or under the land the title of which is vested in the State of Oregon, or is under the control of the state through a lease purchase agreement, instalment purchase, mortgage or lien. "Real property" does not include any paving, roadways, tunnels, bridges, bike paths, sidewalks

and other related improvements which may be excluded by policy of the department.

(10) "State agency" or "agency" means each state branch, institution, department, board, commission or activity of whatever nature.

(11) "Vessel" means a boat, ship, craft or structure made to float or travel upon the water which may or may not be powered by a marine engine. [1961 c 448 §2; 1975 c 609 §21, 1977 c 428 §2, 1981 c 109 §6]

278.010 [Repealed by 1953 c 581 §11]

INSURANCE OF PUBLIC PROPERTY

278.011 State agencies to submit appraisals of certain property; review. (1) At times determined by the Department of General Services, each state agency shall prepare and submit a statement of the appraised value of its property, except the property subject to ORS 278.022, to the department. The appraised value of the property shall be established on the basis of present day replacement costs excluding the value of land and foundations of buildings, machinery or equipment which are below the surface of the ground or below the undersurface of the lowest basement floor or, if there is no basement, below the surface of the ground inside the foundation walls of the building.

(2) No technical or professional assistance need be utilized by the state agency in forming its judgment of the appraised value of its property; but, if it determines that technical or professional assistance is necessary to make a reasonable judgment as to the appraised value of its property, the state agency may utilize technical and professional assistance for that purpose. The cost and expense of such technical or professional assistance shall be paid from funds appropriated for the biennial period for paying the general and current expenses of the state agency.

(3) The department shall examine each statement of appraised value submitted pursuant to subsection (1) of this section. If the department determines that the judgment of any state agency as to the appraised value of its property is unreasonable, the department shall notify the state agency of that fact and require it to submit a reasonable judgment as to the appraised value of its property. If a reasonable judgment as to the appraised value of the property of any state agency cannot be

secured from it, the department shall make a determination as to the appraised value of the property in question. The cost and expense incurred by the department in making such determination shall be paid from the funds appropriated for the biennial period for paying the general and current expenses of the state agency owning, controlling or possessing the property. [1953 c 581 §9, 1957 c 385 §1, 1961 c 448 §3; 1965 c 140 §1; 1969 c 670 §5; 1981 c 109 §7]

278.020 Restoration Fund; proportionate contributions by state agencies. (1) There is established the Restoration Fund as a separate fund in the State Treasury, separate and distinct from the General Fund, to be used for the purposes set forth in ORS 278.011 to 278.085.

(2) Upon ascertaining the value of the property under ORS 278.011, the department shall apportion to each state agency its proportionate contribution to a sum to be set aside on July 1 of each year, for the purpose of replacing or rebuilding any property designated in ORS 278.011 that may be lost, damaged or destroyed by fire, lightning, riot, riot attending a strike, hail, aircraft, vehicles, smoke, explosion, storm, vandalism and malicious mischief, flood, earthquake, theft, collapse, collision, flying objects and accidental liquid damage, or burglary or robbery, but excluding any loss from mysterious disappearance.

(3) Except as provided in ORS 278.043, the contribution required of each state agency under subsection (2) of this section shall be one-tenth of one percent of the appraised value of the buildings, equipment, furniture and other property of such state agency. The minimum contribution for any state agency shall be \$10. Agencies reporting less than \$500 of appraised value of property shall make no contribution.

(4) When the Restoration Fund reaches an amount equal to two percent of the appraised value of the buildings, equipment, furniture and other property of all state agencies subject to ORS 278.011 to 278.070, the department shall make further annual apportionments on July 1 of each year as provided in this section so that the Restoration Fund is maintained at such amount; but such apportionments shall not exceed for any year an amount equal to one-tenth of one percent of the appraised value of the buildings, equipment, furniture and other property of all state agencies subject to ORS 278.011 to 278.070.

[Amended by 1953 c 581 §11, 1961 c 448 §4, 1963 c 634 §4, 1967 c.262 §1, 1969 c.670 §1; 1975 c 609 §10, 1981 c 109 §8]

278.022 State agencies to submit appraisals of vessels; contributions to fund.

(1) At times determined by the department, each state agency owning, leasing, controlling or possessing vessels and property thereon, or property on any other vessel, shall prepare and submit a statement of the appraised value of its vessels and property to the department. The appraised value of the vessels and property shall be established on the basis of present-day replacement costs. The appraisal of the vessels and property shall be conducted in conformity with the provisions of ORS 278.011 (2) and (3).

(2) Upon ascertaining the appraised value of the vessels and property designated in subsection (1) of this section, the department shall determine the annual contribution to the Restoration Fund of each state agency owning, leasing, controlling or possessing such vessels and property. The rate of contribution on the vessels and property shall not exceed \$10 a year on each \$1,000 of estimated replacement cost. The contribution paid under this section shall be in lieu of the contribution required by ORS 278.020 on such vessels and property, and is for the purpose of replacing or rebuilding any property designated in ORS 278.011 and any vessels, property thereon, and property on any other vessel, as designated in subsection (1) of this section, that may be lost, damaged or destroyed by any of the hazards described in ORS 278.020.

(3) In addition to the hazards described in ORS 278.020, if any vessel or property designated in subsection (1) of this section is damaged or destroyed as a direct result of collision with another vessel, striking any object, whether submerged or not, sinking, grounding, stranding, or other perils of the sea, the department shall pay the cost of restoring the vessel or property out of the Restoration Fund in an amount not to exceed the appraised value established pursuant to subsection (1) of this section. If a vessel designated in subsection (1) of this section becomes disabled for any reason, the department shall reimburse the agency from the Restoration Fund for the cost of towing the vessel to the nearest port where repairs can be accomplished. [1961 c.448 §11; 1965 c 140 §2; 1969 c.670 §6; 1975 c.609 §22]

278.025 Contributions to fund reduced when supplemental insurance is purchased. Whenever supplemental insurance for fire, lightning, and the hazards included under the Standard Bureau Extended Coverage Endorsement with an average clause of no less than 90 percent and with a deductible no greater than \$5,000 is purchased, as provided in ORS 278.085, as an addition to Restoration Fund coverage, the property so insured shall be allowed at least a 40 percent discount on the assessment contribution to the Restoration Fund for such insured property. [1953 c 581 §5; 1969 c.670 §7, 1975 c.609 §23]

278.030 Additional contributions to fund authorized in case of extraordinary hazard. Whenever an extraordinary hazard of loss or damage by any of the perils listed in ORS 278.020 (2) exists as to any property of the various state institutions, departments, boards, commissions and activities, the department may fix, determine and apportion to the state institution, department, board, commission or activity owning, controlling or possessing such property, in addition to the contributions required by ORS 278.020, such further contributions to the Restoration Fund as the department deems reasonable and conformable to standard insurance practices. In fixing and determining the additional contributions as to properties involving such an extraordinary hazard the department shall consider each of such properties separately and shall set a rate thereon. In determining such rate the department may consider the physical, occupational, moral and other hazards involved as to each of such properties, the loss experience on properties of such class, and the schedule of rates applicable to similar properties filed by the Oregon Insurance Rating Bureau with the State Insurance Commissioner. [Amended by 1981 c.109 §9]

278.035 Purchase of excess catastrophe insurance. (1) The department may procure and keep in force one or more policies of excess catastrophe insurance on the property designated in ORS 278.011. The catastrophe insurance shall insure the Restoration Fund against a loss in excess of a determined amount caused by any of the hazards described in ORS 278.020, or any combination of such causes.

(2) The premiums for the excess coverage under this section shall be paid from the Restoration Fund.

(3) If the department purchases catastrophe insurance pursuant to this section, no company may be permitted to assume a share of the catastrophe insurance risk in excess of the amount permitted by law based upon the assets and liabilities of the company. [1961 c 448 §§6, 7, 1969 c.670 §8; 1975 c.609 §24]

278.040 Moneys in fund; administrative expenses. The moneys arising from the operation of ORS 278.011 to 278.070 shall be set aside by the State Treasurer and credited to the Restoration Fund. The moneys in the Restoration Fund are continuously appropriated to the department for the purpose of paying the expenses of administering ORS 278.011 to 278.070. [Amended by 1961 c 448 §8]

278.043 Additional assessment by state agencies to maintain fund. (1) If money is owed by the Restoration Fund to any of the funds mentioned in ORS 278.047, or if the Restoration Fund in any year is less than one-half of one percent of the total value of the buildings, equipment, furniture and other property of all state agencies subject to ORS 278.011 to 278.070, the department shall make an assessment on July 1 of that year in addition to that required under ORS 278.020 but in the manner prescribed by that section so that amounts owed may be repaid under ORS 278.047 and the Restoration Fund may be maintained at one-half of one percent of the total value of the buildings, equipment, furniture and other property of all state agencies subject to ORS 278.011 to 278.070. From such additional assessment, amounts specified in ORS 278.047 first shall be repaid and the remainder of the assessment shall be credited to the Restoration Fund.

(2) In no event shall the additional assessment under this section for any year exceed one-tenth of one percent of the total value of the buildings, equipment, furniture and other property of all state agencies subject to ORS 278.011 to 278.070. [1969 c 670 §3]

278.047 Authority to borrow and use other funds when Restoration Fund insufficient; repayment. (1) In any year when the moneys in the Restoration Fund are not sufficient to make all payments under ORS 278.011 to 278.070, the department may borrow and use for that purpose moneys in the Common School Fund, the Industrial Accident Fund and the Public Employees' Retirement Fund, or any one or more of these funds, to

the extent necessary to accomplish the replacement and rebuilding.

(2) Amounts borrowed for purposes of subsection (1) of this section shall be repaid to each fund from which they were borrowed out of additional assessments under ORS 278.043 in annual instalments each not less than one-tenth of the aggregate amount borrowed from such fund and not repaid, but in no event less than \$50,000. Repayments shall be applied first in payment of interest at a rate equivalent to the prevailing commercial rates of interest on comparable investments, as determined by the Department of General Services, on the aggregate amount borrowed but not repaid, and the remainder shall be applied in partial repayment of the principal amount borrowed. [1969 c 670 §4]

278.050 Use of fund to restore lost or damaged property; reversion of moneys not disbursed; transfer of moneys to other agencies; deductible coverage; effect of supplemental insurance. (1) Subject to subsections (2), (3) and (5) of this section, if any property designated in ORS 278.011 is lost, damaged or destroyed by any of the hazards described in ORS 278.020, the department shall pay the cost of restoring the property out of the Restoration Fund in an amount not to exceed the appraised value established pursuant to ORS 278.011. Agencies shall arrange final payment of all claims or instruct the department to revert funds approved for each claim within three years of the date a claim is approved for payment from the fund, unless an extension has been granted by the department.

(2) Any amounts received by an agency from the Restoration Fund may be applied for purposes other than the restoration of the property destroyed provided such use is approved by the Executive Department, the Legislative Administration Committee or the State Court Administrator, as appropriate, and further, in the event the amount received from the Restoration Fund exceeds \$50,000, approval must also be received from the Legislative Assembly if in session, or the Emergency Board if during the interim. If the restoration of any property designated in ORS 278.011 that is lost, damaged, or destroyed by any of the hazards described in ORS 278.020 is not required, the cost of razing the property may be paid out of the Restoration Fund. Any amounts approved on claims for use in rebuilding or replacing real or personal property

may be transferred to other agencies as determined by the Department of General Services, subject to approval by the Executive Department, the Legislative Administrator or the State Court Administrator, as appropriate. However, in the event that the amount exceeds \$50,000, approval must also be secured from the Legislative Assembly if in session, or the Emergency Board if during the interim.

(3) With respect to property insured by supplemental insurance as provided in ORS 278.085 (1):

(a) If the loss, damage or destruction was the result of a risk or casualty covered by the insurance, no part of the cost of restoring the property shall be paid from the Restoration Fund.

(b) If the loss, damage or destruction was the result of a risk or casualty not covered by the insurance and the property is restored, there shall be paid from the Restoration Fund the entire cost of restoring the property or the value of the property declared in accordance with ORS 278.011, whichever is less.

(4) With respect to property insured by supplemental insurance as provided in ORS 278.085 (2), the amount to be paid from the Restoration Fund for restoring the property shall be whichever of the following amounts is the lesser:

(a) The difference between the cost of restoration and the portion of that cost which is covered by supplemental insurance.

(b) Twenty percent of the appraised value of the property as declared in accordance with ORS 278.011.

(5) The department may establish deductibles for certain perils or classes of property covered by the Restoration Fund. Payments from the fund to cover loss, damage or destruction shall be reduced by the deductible amount adopted by the department.

(6) The Executive Department shall draw warrants on the State Treasurer payable from the Restoration Fund for all claims approved by the department in carrying out the provisions of ORS 278.011 to 278.070. [Amended by 1953 c 581 §11; 1957 c 385 §2; 1961 c.448 §9; 1965 c 140 §3; 1969 c.670 §9, 1981 c 109 §10]

278.052 Right of action against person responsible for loss; investigations. (1) If a payment is made out of the Restoration Fund to a state agency to restore any property covered by the Restoration Fund, the department is subrogated, to the extent of the pay-

ment, to the rights of the state agency against any person or other entity legally responsible in damages for the loss. The department may commence an appropriate action in any court, in the name of the state, to enforce the rights. Any amounts recovered as a result of the proceeding shall be paid into the State Treasury and credited to the Restoration Fund.

(2) The department may conduct an investigation of a loss to determine whether legal action should be commenced. The department may administer oaths and examine witnesses in connection with its investigation. The State Fire Marshal and the Department of State Police shall cooperate with the Department of General Services in the investigation. [1961 c 448 §12]

278.054 [1953 c 581 §6, repealed by 1975 c 605 §33]

278.056 [1953 c 581 §7; repealed by 1975 c 605 §33]

278.060 Rules. The department may adopt the rules it deems necessary for carrying into full force and effect the provisions of ORS 30.260 to 30.290, 30.880, 278.005 to 278.215. [Amended by 1961 c 448 §13, 1981 c 109 §11]

278.070 Certain laws not repealed. ORS 278.011 to 278.070 do not repeal the provisions of ORS 276.246. [Amended by 1961 c 448 §14]

278.075 Appraisal of media property of state agencies; contribution to Restoration Fund; scope of media coverage. (1) At times determined by the department, each state agency owning, leasing, controlling or possessing media shall prepare and submit a statement of the appraised value of its media to the department. The appraised value of the media shall be established on the basis of present-day replacement costs or restoration to operational condition. The appraisal of the media shall be conducted in conformity with the provisions of ORS 278.011 (2) and (3).

(2) The annual contribution to the Restoration Fund of each state agency for media coverage shall be determined by the rate specified in ORS 278.020 (3) and is for the purpose of replacing or re-creating any property designated in ORS 278.011 and any media as designated in subsection (1) of this section, that may be lost, damaged or destroyed by any of the hazards described in ORS 278.020.

(3) If, as a result of any hazard described in ORS 278.020, any media designated in subsection (1) of this section, is damaged or destroyed, the department shall pay all ex-

traordinary expenses related to replacement or re-creation of new or backup media out of the Restoration Fund in an amount not to exceed the appraised value established pursuant to subsection (1) of this section. Such costs may include reproduction of media, temporary service and equipment rental costs, reinstallation, shipping and other related costs.

(4) Media coverage by the Restoration Fund does not include any loss of moneys because of the lack of any revenue producing function connected with the operation, nor does it cover any other costs of business interruption outside the direct expenses as outlined in subsection (3) of this section. [1981 c 109 §23]

278.080 [Amended by 1953 c 581 §11; repealed by 1959 c 12 §1]

278.085 State agency insurance supplemental to that provided by Restoration Fund. (1) Any state agency having control of property built with borrowed funds and required by the terms of the loan agreement to keep the building insured against specified risks shall, until the loan has been repaid, keep the property insured against the risks specified in an amount equal to the appraised value as declared in accordance with ORS 278.011.

(2) Any state agency may, with the approval of the department, insure any property under its control, other than property insured as provided in subsection (1) of this section, against loss, damage or destruction by a hazard described in ORS 278.020 or any other hazard.

(3) The premium for such insurance shall be paid out of the appropriations made for or the funds subject to the disposition of the state agency carrying such insurance. Such insurance shall be supplemental to that afforded by the Restoration Fund, without right of the supplementary insurers, in event of loss, to subrogation to or contribution from that fund. [1953 c 581 §1, 1957 c 385 §3; 1961 c.448 §15; 1969 c 670 §10]

278.090 [Amended by 1955 c 288 §1; 1959 c.662 §18, repealed by 1975 c.609 §25]

278.100 Liability Fund established to provide insurance for state and participating local public body tort liabilities; management of fund by Department of General Services. (1) There is established a Liability Fund as a separate fund in the State Treasury, separate and distinct from the Gen-

eral Fund, which shall be used for the purposes defined in ORS 278.115 to provide insurance or self-insurance for the liability of the State of Oregon and its officers, agents or employes, and for the liability of a participating local public body and its officers, agents or employes. The Liability Fund shall be administratively separated to assure individual accountability of the state and local public body liability insurance programs.

(2) It is the intent of the Legislative Assembly that the individual components of the Liability Fund, as well as the total fund, operate on an actuarially sound basis and that the annual assessments and insurance charges shall reflect this policy.

(3) The Department of General Services shall manage the Liability Fund and administer the provisions of ORS 30.260 to 30.290, 278.005 and 278.100 to 278.215.

(4) As used in this section, "the State of Oregon and its officers, agents or employes" includes the district attorney but does not include any employe of the office of district attorney or of the justice, district or circuit courts whose salary is paid wholly or in part by a county and who shall be considered an officer, agent or employe of the county. [1975 c.609 §2, 1977 c.428 §3; 1981 c 109 §12, 1981 c 490 §1; 1981 c 913 §1]

278.105 State agency purchase of liability insurance to be approved by Department of General Services. After July 2, 1975, no state agency, officer, board or commission shall purchase liability insurance against the liability of the state or its officers, employes or agents, except as may be authorized by the Department of General Services. [1975 c 609 §3]

278.110 Assessment of state agencies to provide insurance. (1) The Department of General Services shall apportion to each agency its contributions to a total sum to be established by the department, to be set aside on July 1 of each year to indemnify the state, its officers, employes or agents and to purchase insurance or self-insure against liability for loss, damage or injury for the purposes defined in ORS 278.115.

(2) The amount of contribution by each agency shall be determined by the Department of General Services and shall be based upon the factors which reflect the relative risk of liability to which each agency exposes the State of Oregon. [1975 c 609 §4; 1981 c 109 §13]

278.115 Disposition of state agency assessments; use of moneys. The contributions apportioned to state agencies and moneys arising from the operation of ORS 30.260 to 30.290, 278.005, and 278.100 to 278.215, including any applicable fund balances, credits or refunds received from any liability insurance policies in force, or actions commenced prior to July 2, 1975, shall be deposited with the State Treasurer and credited to the Liability Fund established under ORS 278.100. The moneys in the Liability Fund are continuously appropriated for paying sums for which the state or participating local public bodies are or may be liable under ORS 30.260 to 30.300, 30.880 and 278.100 to 278.215, for establishing a self-insurance liability program, for purchasing such liability insurance or reinsurance for the above described purposes, for purchasing other forms of insurance or reinsurance for the state as may be required or desirable for the efficient operation of state government and for paying the expenses of administering ORS 30.260 to 30.290, 30.880, 278.005 and 278.100 to 278.215. [1975 c 609 §5; 1981 c 109 §14]

278.120 Defense of claims by Attorney General; approval of settlements in excess of \$10,000; procedure for remedying deficiencies in Liability Fund. (1) Upon receipt by the Department of General Services of a claim for damages against the State of Oregon or a state officer, employe or agent within the scope of ORS 30.260 to 30.300, if the claim is covered by insurance, the department shall tender defense of the claim to the insurer, and if such tender is accepted ORS chapter 180 and the remaining provisions of this section shall not be applicable. If the claim is not covered by insurance or if the tender is rejected, the department shall cause an investigation to be conducted to determine whether the claim is meritorious and comes within the provisions of ORS 30.260 to 30.300. The Attorney General may conduct the investigation if requested by the department. If the department determines that the state or a state officer, agent or employe is or may be liable to the claimant under ORS 30.260 to 30.300, the department may negotiate, compromise and settle with the claimant. The Attorney General shall defend all lawsuits after the department has determined that a reasonable settlement cannot be achieved. The department shall pay from the Special Liability Revolving Fund authorized in ORS 278.150 or the Liability Fund the amount of any judg-

ment, and, if the department determines such action to be appropriate, the amount of any settlement subject to the provisions of subsection (2) of this section.

(2) The department shall submit quarterly reports to the Joint Ways and Means Committee of the Legislative Assembly, if the legislature is in session, or the Emergency Board listing all claims settled which have an aggregate cost in excess of \$10,000.

(3) If there is no balance in the Liability Fund, or if the balance is insufficient to cover the amount to be paid on a claim, and there are no funds available under ORS 278.145, the amount remaining in the Liability Fund shall be paid towards satisfaction of the total amount payable and the balance thereof may be advanced through the Liability Fund under the provisions of ORS 293.205 to 293.225. Prior to any advancement to the Liability Fund under the provisions of ORS 293.205 to 293.225, approval of the advancement shall be obtained from the Joint Ways and Means Committee of the Legislative Assembly, if the legislature is in session, or the Emergency Board.

(4) Money advanced to the Liability Fund as provided in this section shall be repaid from the Liability Fund in annual instalments, with interest as provided in ORS 293.220. The amount of the instalments shall be fixed by the Department of General Services at such amount as can be reasonably expected to liquidate the indebtedness of the Liability Fund in not more than 10 years.

(5) In order to assure that the moneys advanced to the Liability Fund are repaid as specified in subsection (4) of this section, the department shall make such assessments as are necessary against those local public bodies or state agencies, or their legal successors, which were participants in the program when the claim or claims arose that necessitated the advancement of moneys to the fund. [1975 c.609 §6, 1979 c.669 §1; 1981 c.109 §16, 1981 c 350 §3]

278.125 Purchase of insurance; payment of premium; legislative approval of self-insurance plan. (1) The Department of General Services is authorized to negotiate for and purchase such insurance as it deems necessary or desirable to accomplish the purposes of ORS 30.260 to 30.290, 30.880, 278.005 and 278.100 to 278.215, or such other insurance or reinsurance as may be desirable to insure the state, participating local public

bodies or their officers, employes or agents against liability.

(2) The premium for such insurance shall be paid from the Liability Fund as either an administrative expense or charged to the benefiting state agency, agencies or participating local public bodies.

(3) The department shall not implement any plan of self-insurance insuring any part of the liability of the state or its officers, employes or agents under ORS 30.260 to 30.300 until after the plan has been submitted to and approved by the Joint Ways and Means Committee of the Legislative Assembly, if the legislature is in session, or the Emergency Board. [1975 c.609 §7, 1981 c 109 §17]

278.130 Employment of staff assistance; payment for services by Attorney General. The Department of General Services may employ such professional services and other personnel deemed necessary, other than defense counsel, to carry out the administration of ORS 30.260 to 30.290, 30.880, 278.005 and 278.100 to 278.215. The Attorney General may employ defense counsel and shall charge the Department of General Services for the cost of the services of the defense counsel and the Attorney General required under these statutes, and such costs and the costs incurred by the Department of General Services in the administration of these statutes shall be paid out of the Liability Fund. [1975 c.609 §8; 1981 c.109 §18]

278.135 Investment of Liability Fund moneys; disposition of earnings. The moneys in the Liability Fund may be invested as provided in ORS 293.701 to 293.776, 293.810 and 293.820 in "investment funds" as defined in ORS 293.701 which includes the Liability Fund. Interest earnings on the Liability Fund shall be credited to the Liability Fund. [1975 c.609 §9]

278.140 [1979 c.669 §3, repealed by 1981 c 109 §24]

278.145 Transfers between Restoration Fund and Liability Fund. If there is insufficient money to the credit of the Restoration Fund or the Liability Fund, or either component of the Liability Fund, to pay the obligations against either fund or component and there is money to the credit of the other fund which is not then required to meet the respective obligations against the fund or component, the Department of General Services shall transfer so much as it considers advisable of such money standing to the credit of

the fund having excess money to the fund having insufficient money. Such transfers shall be made only if there are or will be moneys accruing to the borrowing fund, or which can be transferred to it, to enable a retransfer to be made to the lending fund in time to meet the requirements of the lending funds. However, if conditions at the time when the transfer is considered are such that the retransfer cannot be made, the original transfer shall not be made. All such transfers of moneys shall be retransferred when or before they are needed in the lending funds. [1981 c.109 §21]

278.150 Special Liability Revolving Fund; accounting for moneys disbursed.

(1) The Executive Department may draw a warrant on the State Treasury for the sum of \$75,000 in favor of the Department of General Services payable out of the Liability Fund. The amount drawn shall be credited to a Special Liability Revolving Fund which shall be carried with the State Treasury and shall be used by the Department of General Services when it is necessary or desirable to make immediate payments on claims against the Liability Fund.

(2) The department shall file with the Executive Department at least once each month a verified voucher covering current disbursements from the Special Liability Revolving Fund. The voucher shall be accompanied by an itemized statement showing the names of the persons, firms or corporations to whom and the purposes for which the disbursements were made.

(3) Upon receipt of the voucher, the Executive Department shall draw a warrant on the State Treasury in favor of the department payable out of the Liability Fund. The amount drawn shall be deposited in the Special Liability Revolving Fund and shall be for a sum sufficient only to replenish the Special Liability Revolving Fund. [1981 c 109 §20]

**INSURANCE FOR MOTOR
VEHICLES OWNED BY
GOVERNMENT**

278.200 "Motor vehicle" defined for ORS 278.200 to 278.215. As used in ORS 30.880, 278.205 to 278.210, 486.570, 743.786, 743.792 and 743.795, "motor vehicles" includes motor busses, as defined in ORS 481.030. [1979 c.842 §5]

278.205 Department of General Services to issue certificates of insurance; coverage; personal injury protection benefits. (1) The Department of General Services may issue a certificate of motor vehicle liability insurance and make assessments therefor.

(2) When issued on vehicles owned by local public bodies, such insurance shall also include uninsured motorist coverage and may include personal injury protection benefits and shall provide at least the minimum coverages and amounts set forth in ORS 743.786 to 743.835. However, at the request of a local public body, the department may provide uninsured motorist coverage or personal injury protection benefits for the motor vehicles owned by the local public body in amounts greater than those required under ORS 743.786 to 743.835.

(3) When issued on state-owned vehicles furnished for public use including, but not limited to, use authorized under ORS 276.598, such insurance shall include uninsured motorist coverage and personal injury protection benefits and shall provide at least the minimum coverages and amounts set forth in ORS 743.786 to 743.835.

(4) The Department of General Services by rule may provide personal injury protection benefits in excess of those specified in this section. [1979 c 842 §2; 1981 c 490 §2]

278.210 State has rights and duties of insurer. The state shall have all of the rights and obligations of an insurer provided in ORS 743.786 to 743.930 as to any certificate issued pursuant to ORS 278.205. [1979 c 842 §3]

278.215 Uninsured motorist coverage requirements. (1) Any insurance or self-insurance provided by moneys from the Liability Fund for or on account of the operation of motor vehicles within the state's or public body's control, shall provide the uninsured motorist coverage required under ORS 743.786 to 743.792 and, except as specified in ORS 278.205, may provide the personal injury protection benefits required under ORS 743.800 to 743.835.

(2) Any local public body, as defined in ORS 30.260, which establishes a self-insurance fund under ORS 30.282 for or on account of the operation of motor vehicles within the local public body's control, shall provide the uninsured motorist coverage required under ORS 743.786 to 743.792 and may

provide the personal injury protection benefits required under ORS 743.800 to 743.835.

(3) The uninsured motorist coverage provided under this section shall be excess over any other collateral benefits to which an injured person is entitled, including, but not limited to, other uninsured motorist coverage,

insurance benefits, governmental benefits or gratuitous benefits. [1979 c.842 §4; 1981 c.490 §3]

278.990 [Repealed by 1975 c.609 §25]
