



INSURANCE COVERAGE OFFICE

Number:

STATE OWNED VEHICLE ACCIDENT PAYMENT POLICY

- I. TITLE: PIP Payment of Lost Wages – State Employees
- II. AUTHORITY: 21. Del. C. §2118
Various Case Laws
- III. POLICY STATEMENT:
- The State of Delaware carries a self-insured automobile insurance policy that provides payment of medical bill and lost wage benefits for employees who are driving or occupying a state owned vehicle.
 - The Insurance Coverage Office is responsible for issuing payments for medical services rendered and for payment of lost wages for state employees who were injured as a result of the motor vehicle accident.
 - This document provides guidance regarding the payment of PIP Wages for a state employee who sustains injuries while driving or occupying a state owned vehicle while in the course and scope of their employment.
- IV. APPLICABILITY: All state agencies, school districts, and higher education employees.
- V. DEFINITIONS:
- The Insurance Coverage Office (ICO) – Administrator
 - Employee – Full-time or part-time/casual seasonal individual employed by a State of Delaware agency, school district, and higher education.
 - Personal Injury Protection (PIP) Coverage – All vehicles registered in Delaware are required to carry this coverage. It is a form of no-fault automobile insurance which provides payments of medical bills and lost wages incurred within two years from the date of the accident. The State's PIP limits are \$25,000 per person/\$300,000 per accident. It does not pay for permanency or mileage.
- VI. PROCEDURE: Calculation of PIP Wages
- An Auto Accident must be reported to the ICO within 24 hours. The reports are submitted to the ICO from Fleet Services or the employing organization electronically via the ICO website, by fax, or email.
 - Use the link below to access the Auto Accident Report form located on the ICO website.

http://inscov.delaware.gov/forms/documents/auto_accident_LCE.pdf

- If the Auto Accident Report form notes that an employee is injured, the ICO will establish a claim, generate a claim number, and assign the claim to an ICO Officer. A PIP Application form with statute information is mailed to the employee. A copy of this letter is sent to the employing organization's Human Resources Department contact.
- If the Auto Accident Report form notes that an employee is injured and is missing time from work, the ICO will establish a claim, generate a claim number, and assign the claim to an ICO Officer. A PIP Application form with statute information is mailed to the employee. A copy of this letter is sent to the employing organization's Human Resources Department contact. A Wage and Salary Verification Letter and Form is emailed to the Human Resources Department Contact.
- The Human Resources Representative for the employing organization must complete the Wage & Salary Verification form and return it to the ICO with a copy of the employee's PHRST pay advice closest to the date of the motor vehicle accident. Copies of any and all disability notes should also be sent to the ICO.
- Before any medical or lost wage payments are made under the PIP Claim, the completed PIP Application form must be received by the ICO.
- The employee will be charged sick or annual leave until the ICO receives the completed PIP Application form and PIP lost wage benefits are issued.
- For an employee who does not work overtime, the lost wage benefits are calculated as follows:

Net Wages	
Plus Deductions	
	x 26
Gross Wage/Week	
	÷ 52
Net Wage/Week	
	÷ 5
Net Wage/Day	

- For an employee who consistently works overtime (OT), in addition to calculating the base wages, the ICO has to calculate the OT wages. The OT wages are calculated as follows:

OT Wages	
(26 weeks prior to date of loss)	
	÷26
Gross OT Wages/Week	
	x 80%
Net OT Wages/Week	
	÷ 5
Net OT Wages/Day	

- The ICO will provide a copy of the Wage Calculation Worksheet and a copy of the Payment Voucher to the Human Resources contact of the employing organization.
- An attorney or an employee can request for benefits to be paid under both the PIP and Workers' Compensation claims. The most common request is for the Workers' Compensation claim to pay all the medical bills and 66 2/3 of the wages while PIP pays the difference between both wage benefits.
- The Human Resources Department will recoup the PIP payments from the employee through payroll deductions.

Questions regarding this procedure should be directed to the attention of Marcia Lundy. She works Monday through Friday, 8:00 am to 4:30 pm and can be reached at (302) 739-3651 or by email at marcia.lundy@state.de.us.