



Managing risk
together

This document is intended for information purposes only. In the event of specific claims, incidents or legal actions against the Subscriber, coverage will be determined by MEARIE policy interpretation.

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Introduction

No matter if you have a few vehicles or a large fleet, a formal written safety program is imperative. Well-constructed policies and procedures should address driver safety, vehicle use, maintenance and compliance with applicable vehicle regulations which can help your business:

- Reduce the risk of crashes
- Protect employees
- Lower vehicle downtime and repair costs
- Comply with driver and vehicle regulations
- Protect your public image
- Obtain more affordable insurance

Statistics consistently show that monitoring vehicle accidents is a high priority of businesses. Vehicle incidents are not only a common source of work-related fatalities, injuries from vehicle accidents are among the most expensive for employers. Developing a fleet safety program can be the first step towards making sure everyone who drives for your business understands your policies, procedures and safe driving expectations.

The purpose of a guide is to offer a structure to help you create a fleet safety program that will best suit your company's needs. This guide focuses on the crucial elements of a fleet safety program, including:

- Management commitment
- Driver selection, qualification and management
- Safety training
- Policies and procedures
- Vehicle inspection, repair and maintenance
- Accident management

There may be additional topics you wish to incorporate. The guide does not provide detailed information about commercial vehicle regulations.

Management Commitment

Getting the support of your company's leadership is crucial to promote engagement and compliance from everyone in your organization. If you are not able to get leadership support, there is a good chance your program will fail. How can you achieve this? Start by demonstrating the impact accidents could potentially have or have had, on your business. Impacts can include both direct and indirect costs, such as:

- Vehicle and property repair/replacement
- Employee injuries
- Lost productivity
- Insurance deductibles
- Liability claims
- Vehicle downtime
- Less affordable insurance
- Damaged customer relationships
- Damaged reputation
- Poor employee morale

You will need to quantify these impacts by careful recordkeeping and analysis. The goal of this is to demonstrate that your fleet safety program can reduce these costs.

Identifying Drivers

An important part of managing fleet safety involves understanding your exposures. This can start by learning who is driving on your company's behalf. Depending on your company's record keeping this can be an easy or difficult task. You will have the employees who operate company-owned vehicles for work. They are delivery drivers, repair technicians on service calls, bucket truck operators, supervisors traveling between job sites, etc. Other drivers might be a bit more difficult to identify. They might include:

- Employees who use personal or rented vehicles for business trips, training events, customer visits, etc.
- Volunteers or interns driving company-owned or personal vehicles.

All these drivers may present an exposure to your organization. You should have a process to identify all individuals who drive on your organization's behalf. Managers in your operations, human resources, accounting and maintenance departments may be able to assist you in this. By learning who is driving vehicles on behalf of your organization you will be able to address the full exposure that you may face from vehicle operations. It will also help you regularly apply driver selection and management controls.

Driver Selection Procedures

It is unlikely that your organization will have a good long-term safety record without safe drivers. Institute clear hiring standards and a meticulous screening process for job positions that involve driving. Some important steps in the driver screening and selection process include:

Employment Background Investigation

You should require potential employees to provide at least a three-year employment history that includes work history, driving experience, training and safety performance (including moving violations/convictions, accidents, and license suspensions/disqualifications). It is important you confirm the information with the previous employer.

Driving History Check

You should be reviewing the applicants driving record to verify the potential employee has an acceptable driving history during the past three years. Use an official driving record provided by the Ministry of Transportation. Please refer to [Motor Vehicle Record Policies below](#).

Interview

During the interview process you can ask open-ended questions about the applicant's driving record and experience. If the candidate does have convictions this would be a good time to learn more details. During the interview process you may also gauge the potential candidate's positive attitude, trainability and relevant experience.

Road Test Evaluation

Perform and document a road test to assess the driver's ability to safely handle the vehicle. It would be best to use a similar vehicle that the driver would be driving for your organization.

Pre-Employment Drug Testing

Pre-employment drug testing can help you identify applicants who may use drugs while driving. Certain classes of vehicles may require drug testing to be performed. Check with your Human Resources department and the [Ministry of Transportation](#) before you develop a drug testing policy to ensure that you are complying with drug testing rules, as well as any regulations.

Document

It is important that you document the steps you take to screen and select qualified job candidates. This is not only a good employment practice, but it may help you defend your company against potential negligent hiring claims.

Driver Qualification Standards

Minimum qualification standards for all drivers, whether they are applicants, new hires or long-time employees should be established. The following recommended standards reflect current industry best practices. You should only allow individuals that meet the standards to operate vehicles on behalf of the company.

Driver Experience

For autos, SUV's, pickups and other small vehicles, individuals should have at least one year of previous verifiable experience with a similar vehicle. At least two years of previous vehicle-specific experience and training are required for larger vehicles, commercial vehicles and specialized operations vehicles.

Licensing

It is important to confirm that all employees who drive possess a valid driver's license for the class of vehicle they are operating. For large commercial trucks, ensure that the driver has all necessary endorsements and no license restrictions that limit their qualification to operate the vehicle. It is suggested to review the license credentials on an annual basis for all individuals who drive on behalf of your organization.

Vehicle Violations & Accidents

The previous employment and driving record of all applicants should be verified for at least the last three years. For existing employees, review the driving record and safety performance at least once a year to confirm they continue to have a satisfactory and safe driving record. Ensure that applicants and existing employees who drive meet the following minimum standards:

- No more than a combination of three minor moving violations/convictions or minor preventable accidents during the past three years.
- No serious moving violations/convictions, license suspensions, serious preventable accidents or drug/alcohol-related offenses during the past five years.

Physical Qualification

Certain type of vehicles will require a physical qualification and a driver medical certification. If this is necessary, confirm that the drivers have the necessary physical qualifications. Verify and document medical certification renewals.

Drug & Alcohol Testing

A drug and alcohol testing program for existing employees should be implemented for those that operate a vehicle for work. Include in the program formal procedures for random, reasonable, suspicious, post-accident and follow-up testing. It is important that any implementation of such a plan meets the [Ontario Human Rights Code](#).

Managing Driver Performance

A formal performance management process should exist to help confirm that all employees who drive are following the rules and driving safely. One way to do this is by reviewing the driver performance on an annual basis. The items to include in the performance review are.

- Valid driver's license status
- Accidents and moving violations on MVR's
- Company safety record (policy violations, accidents, incidents, etc.)
- Customer, public and coworker comments
- Safety events/alerts from onboard devices
- Medical certification credentials
- Insurance coverage for employees operating personal vehicles for company business
- Routine monitoring

Official driving records should be obtained from the [Ministry of Transportation](#) at least annually. In some areas, driving record notification programs are available to automatically alert you to violations, accidents, suspensions or

other changes to a driving record. These services can alert you to problems as they occur, not months later. It is important that all departments apply the driver qualification standards and management procedures consistently. Below is a sample motor vehicle record evaluation grid that can be used. This grid can help you evaluate when a driver's violation and accident record is acceptable, borderline or poor.

Sample Motor Vehicle Record Evaluation Grid

| Minor Moving Violations (past 3 years) | Preventable Accidents (past 3 years) | | | |
|---|---|------------|------------|------|
| | 0 | 1 | 2 | 3+ |
| 0 | Clear | Acceptable | Borderline | Poor |
| 1 | Acceptable | Acceptable | Borderline | Poor |
| 2 | Acceptable | Borderline | Poor | Poor |
| 3 | Borderline | Poor | Poor | Poor |
| 4+ | Poor | Poor | Poor | Poor |
| Major Violations (Past 5 years) | Poor | Poor | Poor | Poor |

Drivers with poor records should not be able to operate vehicles on your company's behalf. A reassignment of roles might need to be done so they are not operating vehicles. The drivers that have borderline records should be given notice that future violations and preventable accidents may disqualify them from operating company vehicles. This is a good opportunity to use coaching, training and other corrective measures to improve their driving performance. Monitor their performance more closely to confirm improvement.

Telematics

Many fleets are taking advantage of telematic information to help them operate more efficiently, manage driver performance and investigate accidents. Many of the systems can provide a scorecard for each driver with detailed driving information. These systems can help you identify problem areas such as speeding, distracted and aggressive driving. Video footage can help provide information on what events would have contributed to an accident. The use of telematics has allowed businesses to improve fleet safety. Studies indicate that the use of monitoring systems have shown the frequency of unsafe events can be reduced when fleets use this information to provide positive reinforcement and effective coaching. If your organization has decided to use a telematic system, have an ongoing process for examining driver performance and investigation of unsafe driving events. The information can also be used to reward safe drivers. It is important to document the steps you take to evaluate driver performance and any corrective action that becomes necessary. This is not only good basic employment practice, but it can also help you defend against potential negligent entrustment claims.

Safety Training

Driving for many years does not necessarily mean someone is a safe driver. For many drivers the longer they drive the farther away they get from the skills/knowledge they first learned when they obtained their license. Often people receive training as a teenager but nothing after. The proper training will allow your drivers to understand your vehicle safety policies and safe driving techniques. Have a safety training program to educate all employees who operate vehicles on your company's behalf which includes:

- Individual training during orientation with a focus on how to avoid preventable accidents
- Provide safety training in various forms to help keep it interesting. You can have classroom sessions, information group settings, or it can be computer-based.
- The training should be short, frequent and interactive.
- Encourage employees to ask questions, listen to their concerns and be positive and reassuring.
- The emphasis should not be on how to drive. Instead, the training to be pertinent to hazards they face, the types of accidents your business has experienced, and the vehicles they operate.
- Focus on safe driving techniques and procedures that can help them avoid accidents.
- Emails, newsletters and posters can also be used to reinforce training.
- Document all training provided. This will help with ongoing training efforts and assist in defending your company in case of a claim that you have not provided your employees adequate training.

Policies and Procedures

It is essential to communicate your organization's expectations on vehicle use. Take the time to convey your policies and use them to inform all employees who drive for work. Each employee should acknowledge in writing that they understand and agree to abide by them. Some examples of important safety topics to address in your fleet safety program include:

Accident Reporting & Response

Provide clear instructions on accident reporting and response procedures.

Moving Violation & Accident Reporting

Require employees to report all moving violations and accidents, even if it involves a personally owned vehicle.

Driver Qualification Standards

Inform employees about your driver qualification standards and the consequences for not meeting those standards. Drivers who do not meet your standards should not be permitted to operate vehicles for work.

Mobile Device Use & Distracted Driving

Create a formal policy prohibiting mobile device use while driving. The policy should also limit hands-free phone conversations. Include other forms of distracted driving in your policy (e.g., eating, drinking, grooming). For more information see MEARIES guide, [Controlling mobile device distractions while driving](#).

Corrective Action Procedures

Explain what corrective action measures will be taken when drivers violate company policies, are involved in preventable accidents or receive moving violations.

Drug & Alcohol testing

Inform employees about your drug and alcohol testing procedures, including types of tests, reasons for testing and consequences for testing positive.

Impaired Driving

Prohibit impaired driving in all forms, including from controlled substances, alcohol, fatigue, illness or from prescription or over the counter drugs.

Work Limits & Rest Requirements

Set daily work limits and rest requirements to reduce the risk of drowsy driving. Educate employees on applicable commercial vehicle hour-of-service regulations.

Vehicle Care & Maintenance

All employees should visually inspect vehicles and report problems immediately.

Personal Use of Company Vehicles.

Set limits on the personal use of company vehicles, including if family members can operate the vehicles. For more information refer to MEARIE's [Personal use of Company Vehicles- Exposures and Controls](#).

Insurance Requirements

Employees who drive their personal vehicles for work should have minimum insurance requirements. See MEARIE's guide on [Non-Owned Vehicle Controls](#).

Safe Driving Expectations

Communicate your expectations for safe driving, including driving at safe speeds, keeping a safe following distance, parking restrictions, seatbelt use and other requirements.

The operation procedures inform employees about procedures relating to vehicle operations (i.e. fueling, routing, communication, cargo handling, etc.). Ideally, the central office manages your overall fleet safety program to make sure that all branches of the organization are following the procedures.

Vehicle Inspection & Maintenance

Your organization should have a formal inspection and maintenance procedures in place to ensure all vehicles and equipment are in safe working condition. These procedures will vary depending on the vehicle type, but they should at least match the manufacturer's recommendations. Key elements of an inspection and maintenance program include:

- A written vehicle inspection and maintenance program
- Vehicle pre-trip/post-trip inspection requirements
- Periodic inspection by a qualified mechanic
- A process for reporting and correcting mechanical problems
- Vehicle standards for age, condition and safety features
- Documentation to record all inspections and repairs
- For regulated commercial vehicles, a review of roadside inspection results and follow-up actions taken to fix any defects.

How well you maintain your vehicles impacts more than just operational efficiency. Issues such as worn tires, bad brakes and burned out lights can lead to accidents. A poorly maintained vehicle will be more likely to break down, which means your drivers could be stranded on the side of the road. The maintenance program should be constructed to ensure vehicles are inspected regularly. Vehicles should be inspected by experienced mechanics in order to ensure they are in good working condition and safe. This is especially true for older vehicles, vehicles that are not used often, pool vehicles and commercial vehicles. Employees should do a visual inspection daily on the vehicles. For safety-related problems, place vehicles out of service so they will not be used until repaired. All vehicle inspections, repairs and ongoing preventative maintenance must be documented. This creates an archive of what work has been done and what future work needs to be completed. This documentation can also play a crucial role after an accident if there are allegations that your vehicle was not maintained adequately.

Accident Management

No matter who is at fault, a quick, effective and professional response at the accident scene is essential. It can help you get the facts you need to understand what happened and control the cost of the accident. This will also aid in developing strategies and understanding accident trends. Your employees need to know how to respond after an accident has occurred. Provide training to ensure they understand your company's procedures for reporting accidents promptly, when to involve emergency services and the importance of contacting your organization and MEARIE. Employees should also know the procedures for post-accident drug and alcohol testing. Ensure drivers understand what information should be collected at the scene of the accident such as:

- The identity and contact information of everyone involved, as well as the insurance details of any drivers involved
- A description and diagram of what happened
- Accident-scene photographs

In addition, ensure your drivers have the right tools available:

- Accident report form and writing utensil
- Emergency contact information
- Proof of insurance
- Mobile device for taking photographs
- Emergency warning devices
- Spill kit, if transporting bulk liquids or hazardous materials

Contact MEARIE promptly, regardless of who appears to be at fault. Reporting delays can make it difficult for MEARIE to investigate the claim. All accidents should be investigated to identify the root causes. Once that is done you can determine ways to prevent future occurrences. Common approaches involve:

- Driver-specific corrective actions, such as training, coaching or job reassignment
- All-employee safety program
- Operational changes, such as route selection, vehicle choice or scheduling
- Vehicle design, such as improved mirrors, lights, steps, handholds and reduced blind spots
- Technology improvements, such as onboard safety monitoring devices, back-up camera, automatic emergency braking and blind spot detection

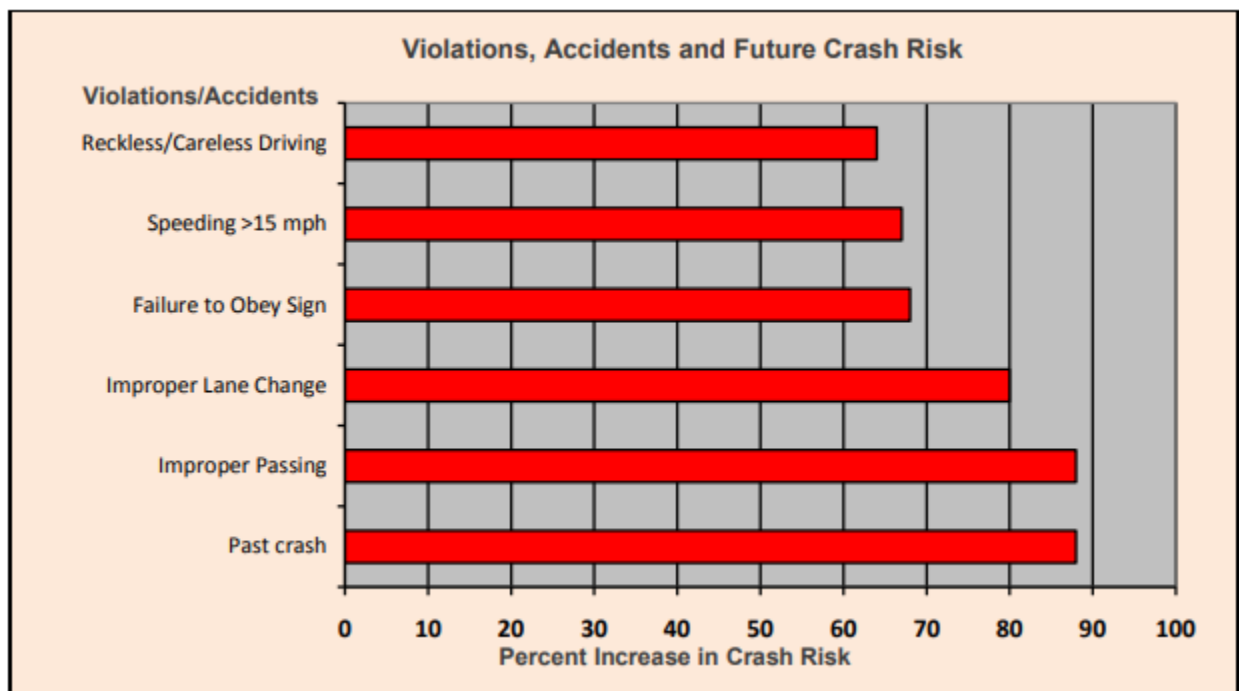
By keeping tracking of data, you will be able to identify key loss types for your operation. Assemble a review committee to investigate accidents. This will ensure that a thorough investigation is completed. It also can help your business identify corrective actions and ensure they are administered fairly and consistently.

Continuous Improvement Process

Your fleet safety program should evolve over time, adjusting to operational changes and loss exposures. Managers need to establish benchmarks for safety performance. The organization should set goals to improve on past performance. A continuous improvement process should be at work, where safety managers periodically audit the program and measure success. New challenges and exposures will emerge, new procedures, policies and controls will need to be implemented.

Motor Vehicle Records (MVR) Policies

The operation of vehicles can create a significant risk for any organization. A good practice for reducing this risk is to allow only safe drivers to operate vehicles. Reviewing drivers MVR's is an important part of this process. For companies that operate regulated commercial vehicles, obtaining and evaluating MVR's can be a required part of the driver hiring qualification process.



Data Source: *Predicting Truck Crash Involvement: a 2011 Update Summary*, American Transportation Institute, 2011.

Why is investigating a driver's history important? Drivers who have a history of accidents and moving violations may pose an additional risk to your organization. A study completed by the [American Transportation Research Institute \(ATRI\)](#) shows that a past record of moving violations and accidents is linked to an increased crash risk. Allowing employees with poor driving records to operate your organizations vehicles increases your company's liability exposure. A formal policy is needed to help ensure MVR evaluation and driver screening process is administered consistently and that all drivers are familiar with its provisions. Human Resources and legal counsel should be involved in the development of this policy. An MVR policy should include the following components:

- Obtaining
- Evaluating
- Applying
- Documenting

Obtaining

The MVR should specify who is subject to the policy. Normally, any employee who operates a vehicle for your organization should be considered. This would include employees driving personal or rented vehicles. While employees who drive frequently for your organization are typically considered in forming an MVR policy, less obvious drivers you may wish to consider include:

- Employees who regularly rent cars during business trips
- Employees frequently attending seminars and conferences
- Employees who run errands with company vehicles
- Family members who are permitted to drive company vehicles
- Part-time and temporary employees, as well as interns
- Volunteers, coaches, board members and elected officials

Some organizations may choose not to include individuals who rarely drive. In this case, at a minimum it is important to confirm that the individual has a valid driver's license. Again, Human Resources personnel and legal counsel should be involved in the development of an MVR policy and to better understand the legal issues that may be presented by the individuals subject to the policy. MVR records can be obtained through the Ministry of Transportation. Any prospective employee who will be covered under the MVR policy should provide accident and violation information on his or her employment application. Current employees who drive a vehicle, should have to provide information annually. For drivers that have a marginal driving record, MVR's should be obtained on a more frequent basis.

Evaluating

Once you have received the report the next step is to review it. Convictions are usually classified as serious, major and minor and non-moving. Non-moving convictions are ordinarily not included in the evaluation process. The MVR from the [Ministry of Transportation](#) will not include any accidents. You would need to obtain a Letter of Experience from the driver's previous insurance carrier. All violations and accidents should be evaluated, not just those occurring on-the-job.

| <u>Major</u> violations generally include: | <u>Minor</u> violations generally include: | <u>Non-moving</u> violations generally include: |
|---|---|---|
| <ul style="list-style-type: none">• Leaving the scene of an accident• Driving under the influence of drugs or alcohol• Excessive speed (>20 mph over limit)• Reckless, negligent or careless driving• Felony, homicide or manslaughter involving the use of a motor vehicle• License suspension or revocation resulting from accidents or moving violations | <ul style="list-style-type: none">• Speeding < 20 mph• Failure to obey sign• Failure to yield• Illegal turn | <ul style="list-style-type: none">• Parking tickets• Motor vehicle equipment violations• Failure to have a valid operator's license available where one actually exists <p>Non-moving violations are typically not included when evaluating MVRs.</p> |

Once you have reviewed the MVR and violations have been classified, the driver's history should be reviewed against your policy. All drivers should be held to the same standards.

Applying

What do you do when the MVR is found to be poor or unacceptable? You need to consider whether job applicants or new employees who have borderline or poor MVRs should be hired for driving positions. If you have current employees, you might need to consider suspending driving privileges or reassigning them to non-driving positions. If you are implementing a new MVR policy, or making your current policy more restrictive, a transitional period for existing employees whose MVRs are now considered poor may be needed. You should discuss policy implementation with your Human Resources department and your attorney.

Sample MVR Evaluation Grid

| | | |
|--|-----|---|
| 1 MVR indicates applicant has a current license and the appropriate endorsements for vehicle(s) he or she will be operating. | YES | Continue to step 2. |
| | NO | Do not consider for driving duty. |
| 2 MVR indicates moving violations and accidents within the past three years. | YES | Continue to step 3. |
| | NO | Continue applicant evaluation procedures. |
| 3 MVR indicates one or more major moving violations or serious preventable accidents within the past three years. | YES | Do not consider for driving duty. |
| | NO | Continue to step 4. |
| 4 MVR indicates a combination of more than three minor moving violations or minor preventable accidents during the past three years. | YES | Do not consider for driving duty. |
| | NO | Continue applicant evaluation procedures. |

THIS IS AN EXAMPLE. YOU SHOULD CUSTOMIZE CONTROLS TO MEET YOUR ORGANIZATION'S NEEDS AND EXPOSURES.

Checking each driver's MVR periodically can help identify drivers who have borderline and poor records and who may be in danger of losing their driving privileges. A driver with a poor MVR record should not be permitted to operate a vehicle on organization business. Managers should meet with borderline drivers to discuss the potential consequences of receiving more violations or being involved in accidents. Examples of controls for borderline MVRs:

- Counsel the driver, highlighting the impact of additional violations or accidents
- Obtain and review the driver's MVR quarterly
- Lower speed governors on vehicles equipped with them
- Monitor vehicle performance reports for hard braking, speeding and other signs of aggressive driving
- Conduct periodic ride-along to observe driving behaviour and provide feedback and coaching on safe driving techniques
- Provide defensive driving training
- Prohibit driving between work and home for those with assigned vehicles
- Prohibit personal use of a company vehicle

It is important that drivers understand your organization’s MVR policy. They should know what is expected of them and what disqualifying offenses or accumulation of accidents and/or violations could result in limiting or removing them from driving duties. The following Sample Driver MVR Policy Statement presents an example of the key elements and best practices of an MVR policy:

| |
|---|
| <p style="text-align: center;">Sample Driver MVR Policy Statement</p> <p>Vehicle operations can create substantial risk for our organization. A best practice for reducing vehicle risk is to ensure that only drivers with safe driving records are permitted to operate vehicles on organization business.</p> <p>The following constitutes our MVR policy:</p> <ul style="list-style-type: none">• All drivers must have a valid driver’s license with the proper class and appropriate endorsements for the vehicles they are operating.• Drivers must not drive if their license has been suspended or revoked.• Drivers must report all accidents, moving violations and license suspensions to their supervisor immediately. <p>Prospective employees will be required to report all accidents and moving violations during the applicant screening process. Existing employees moving into driving positions will be required to complete a similar report at the time of transition. All drivers will be required to complete an accident and moving violation report annually.</p> <p>MVRs will be obtained on new drivers at the time of employment or when transitioning into a driving position. MVRs will be obtained annually thereafter. Management will determine the acceptability of a driver’s MVR. Prospective employees must have an MVR that is CLEAR or ACCEPTABLE in order to be hired for positions requiring driving. Current drivers must have an MVR record that is CLEAR, ACCEPTABLE, or BORDERLINE. Management may restrict the driving privileges of individuals with BORDERLINE MVR records or require drivers to receive additional training or monitoring. Drivers with POOR MVR records will be suspended from driving on organization business.</p> |
|---|

Documenting

MVR policies should include guidelines on record retention. These should include the retention of applications, release forms, the actual MVR, annual certificates of violations, annual MVR reviews, and warnings and corrective actions taken. Since these documents contain personal information, they should be kept in a secure location.

Loss Scenario

Derrick, an engineer for ABC Consulting, was traveling on a four-lane divided highway in his company car. He was returning from a weekend visiting family. It was 10:30 p.m. A short distance ahead, a lane was closed due to construction work, but traffic continued to move at a steady pace.

Derrick's phone beeped. Unaware that driver six cars ahead of him had just struck a construction barrel, sending it spinning off the road and causing drivers behind him to hit the brakes, Derrick picked up his phone and began scrolling through his messages.

When Derrick glanced up, brake lights illuminated the roadway. Derrick slammed his brakes, but he was unable to stop in time to avoid rear-ending the car ahead of him. The crash caused a chain-reaction collision that damaged several other vehicles.

The driver of the vehicle Derrick rear-ended was injured and had to be transported by ambulance to the hospital. That driver, along with the drivers of other vehicles, sought legal counsel and filed suit against Derrick and (as he was driving a company car at the time) ABC Consulting. The total damages claimed reached several hundred thousand dollars.

The company's investigation concluded that Derrick was distracted and failed to notice stopped traffic in time to stop safely. It also determined that Derrick's motor vehicle record (MVR) had not been reviewed since he was hired six years earlier. His driving record now showed several moving violations since Derrick was initially hired and an accident eight months earlier, information that did not bode well for ABC's ability to defend itself against these lawsuits. In addition, the accident highlighted that the company had no policies to address the personal use of company vehicles or set basic safe driving expectations.

Loss Lesson

What lessons can be learned from this scenario? For starters, one lesson is that driving while distracted is dangerous. Besides this, an important lesson learned is that companies allowing personal use of company vehicles increase their vehicle loss exposure. Companies can limit this exposure by reducing the amount of personal use that is permitted. Establishing formal policies and procedures and communicating them to all employees who use company vehicles outside of business, is also a prudent step to help control this exposure.

Managing the Exposure

The following best practices can help limit exposures related to the personal use of company vehicles:

- Allow only authorized persons to operate company vehicles. This typically includes only the employee and potentially an approved spouse.
- Limit the amount of personal use (i.e., limiting personal mileage or radius of travel, or only allowing trips to and from work and incidental stops along the way).
- Prohibit the use of alcohol or controlled substances when operating any company-owned vehicle.
- Require drivers to follow all applicable vehicle laws and regulations, including obeying speed limits, wearing seat belts, adhering to cell phone and texting bans, etc.
- Prohibit the use of company vehicles for other business pursuits.
- Require all accidents and moving violations to be reported to your company.
- Prohibit company vehicles from being used to push, pull or haul other vehicles, trailers, boats, campers, recreational vehicles or other similar cargo without prior company approval.
- At least annually, with the driver's written authorization, evaluate the motor vehicle record of every employee and authorized non-employee who operates a company vehicle.

- Establish written criteria to ensure only drivers with acceptable driving records are permitted to operate company vehicles. Require a safe, secure parking location for company-owned vehicles.

Company policies that address the personal use of company vehicles should be in writing, widely communicated and strictly enforced. They should apply to all employees, including company owners, officers and executives. Consequences for not adhering to company policies should include the loss of privileges to use company vehicles for personal use. In cases where violations of these policies are serious, it may be necessary to assign the employee to a role that does not require driving a vehicle for the company.

Non-Owned Vehicle Controls

Vehicle operations can create substantial risks for any organization. These risks occur when employees drive an organization's vehicle, as well as vehicles the organization does not own, such as rentals or an employee's personal vehicle, while conducting the organization's business. Many organizations have controls in place to reduce accidents among their own fleet of vehicles, but **they often do not apply these same controls to non-owned vehicles**. They may not realize that they could be responsible for accidents that occur in vehicles they do not own. Vehicle operations, regardless of who owns the vehicle, can become a significant exposure for your organization. Organizations regularly pay out substantial sums of money and find themselves involved in lawsuits related to accidents that occur while employees drive vehicles the organization does not own. Why?

- Organizations can be found responsible for the negligent actions of its employees while driving, no matter who owns the vehicle.
- Minimum insurance limit requirements in some jurisdictions are not adequate to cover serious accidents.
- Even where insurance is required, some drivers may, intentionally or unintentionally, drive without it.

Controlling Non-Owned Vehicle Exposures

Following are steps your organization can take to help identify and control non-owned vehicle exposures:

1. **Identify and classify non-owned vehicle drivers** – Identify who is driving for your organization and how often. Make sure to include these often-forgotten drivers:
 - i. Part-time and temporary employees, as well as interns.
 - ii. Volunteers, coaches, board members and elected officials.
 - iii. Employees who run errands, pick-up and deliver parts, or who pick up customers at the airport.
 - iv. Employees attending seminars and conferences.
 - v. Employees who rent cars during business trips.

Once identified, drivers should be grouped by the level of exposure they present so appropriate controls can be implemented.

2. **Monitor driver licensing and Motor Vehicle Records (MVR)** – Allowing unlicensed employees or employees with poor driving records to operate vehicles for your organization can increase your liability exposure. Therefore, it is important to have procedures to ensure that all drivers have a valid driver's license and an acceptable driving record. Drivers with records showing moving violations and/or preventable accidents or any major/serious violations (e.g. driving while impaired, reckless/careless driving, driving with a suspended license, etc.) should be vetted to determine if their driving records warrant prohibiting them from driving on your organization's behalf. Have an MVR policy in place that outlines how often MVRs are reviewed, your organization's standards for moving violations and accidents, and what actions may be taken if a driver's record is not acceptable. Review MVRs at least annually.
3. **Safe driving rules and policies** – Have formal safe driving rules for anyone driving on your organization's behalf. Drivers should sign an acknowledgement that they understand and will abide by these rules. Rules to consider include, but should not be limited to:
 - i. Allow only authorized personnel to operate non-owned vehicles on behalf of your organization.

- ii. Require drivers to abide by company vehicle safety rules as well as motor vehicle regulations, laws and ordinances.
 - iii. Require drivers to be safely parked before using mobile devices.
 - iv. Prohibit the possession or use of alcohol or drugs while operating the vehicle for business purposes. Prohibit drivers from operating vehicles when their ability is impaired; affected; or influenced by alcohol, drugs, medication, illness, fatigue or injury.
 - v. Require drivers and all occupants to wear seat belts when operating or riding in the vehicle.
 - vi. Allow only authorized/approved passengers (i.e., those with a defined business relationship) during business use.
 - vii. Prohibit the use of radar detectors, laser detectors or similar devices.
 - viii. Require drivers to promptly notify their supervisors of any moving violations or accidents that occur while using a company vehicle, or a rented/personal vehicle during company business.
 - ix. Require drivers to notify their supervisor if they have a medical condition that would impact their ability to safely operate a vehicle. This may include current medical issues where the licensing authority has placed a restriction on their driver's license or where a person is taking medication that would impair their ability to safely operate a vehicle.
4. **Driver training** – All drivers should receive periodic safe driving training prior to driving on your organization's behalf, and at least annually thereafter. All training should be documented. Good training topics include:
- i. Speed and space management
 - ii. Distracted and inattentive driving
 - iii. Intersections and yielding the right-of-way
 - iv. Effects of alcohol, drugs and fatigue on driving
5. **Vehicle inspection and maintenance** – Poorly maintained vehicles can cause accidents. Establish a system to ensure non-owned vehicles used for company business are in safe operating condition. Require non-owned vehicles to be inspected and maintained in accordance with manufacturer's guidelines. For large trucks, require inspection, repair and maintenance records to be submitted.
6. **Risk transfer** – Establish minimum auto liability insurance requirements. Require non-owned vehicle drivers to provide proof of liability insurance in the form of a current certificate of insurance. A system should be in place to ensure new certificates are obtained at policy renewal. Consult with your insurance agent regarding limits appropriate for your organization. The following table represents a sample non-owned vehicle controls guide that classifies drivers according to the level of exposure they present. It summarizes non-owned vehicle controls appropriate for each group of drivers

Sample Non-Owned Vehicle Controls Guide

| EXAMPLES | | MOTOR VEHICLE RECORD (MVR) | NON-OWNED VEHICLE CONTROLS (PERSONS DRIVING THEIR OWN VEHICLES) |
|---|---|---|---|
| <p>PROFESSIONAL DRIVERS</p> <p>Persons who drive as their main responsibility or any person transporting passengers.</p> | <p>Truck drivers Delivery drivers Chauffeurs Snowplow operators Any employee or volunteer who <u>transports passengers</u>:</p> <ul style="list-style-type: none"> - Coaches - Social services - Van pool drivers <p>Transportation of hazardous materials</p> | Pre-employment and annually thereafter | <p>Certificate of insurance verifying adequate limits of insurance, updated annually Annual vehicle inspection Monthly inspection/maintenance reports Safe driving rules/policies Periodic defensive driving training</p> |
| <p>NON-PROFESSIONAL FREQUENT DRIVERS</p> <p>Persons whose main responsibility is not driving, but drive frequently to carry out their main function.</p> | <p>Sales Customer service Tradespersons Home healthcare Maintenance personnel Employees assigned a vehicle Family members allowed to drive a company vehicle</p> | Pre-employment and annually thereafter | <p>Certificates of insurance verifying adequate limits of insurance, updated annually Vehicle maintenance and inspection standards Safe driving rules/policies Periodic defensive driving training</p> |
| <p>OCCASIONAL DRIVERS</p> <p>Persons who drive less than once a month.</p> | Any employee or volunteer | Pre-employment and annually thereafter | <p>Certificates of insurance verifying adequate limits of insurance, updated annually Safe driving rules/policies</p> |
| <p>INFREQUENT DRIVERS</p> <p>Persons who are generally not expected to drive.</p> | <p>Any employee or volunteer Staff attending off-site seminars and conferences</p> | Verify valid driver's license in possession | <p>Verify vehicle liability insurance coverage Safe driving rules/policies</p> |
| THIS IS A SAMPLE. YOU SHOULD CUSTOMIZE CONTROLS TO MEET YOUR ORGANIZATION'S NEEDS AND EXPOSURES. | | | |

Sample Non-Owned Vehicle Authorization & Operation Policy

| Sample Company Inc. | |
|--|---------------|
| Subject: Non-Owned Vehicle Authorization and Operation | |
| Purpose/Rational: | |
| <p>Our business relies on the use of vehicles not owned by the company (non-owned vehicles). Examples of non-owned vehicles include rented and leased vehicles and employee-owned vehicles used for business purposes. When these vehicles are used to transport clients, other business partners, or used for business needs in general, it is in the company's interest to ensure that these vehicles are being operated safely.</p> <p>The purpose of this policy is to communicate company rules on the use of non-owned vehicles. Supervisory personnel are to discuss and review these rules with all authorized non-owned vehicle drivers. All company employees who operate non-owned vehicles must review and acknowledge receipt of this policy prior to operating a non-owned vehicle on behalf of the business.</p> | |
| Non-Owned Vehicle Authorization and Operation Policies | |
| <ol style="list-style-type: none">1. Personnel operating non-owned vehicles on behalf of the company are subject to the company's driver evaluation and qualification procedures. This includes meeting standards to ensure that all drivers have a valid driver's licenses and acceptable driving record. Motor Vehicle Records (MVR) will be reviewed prior to being granted authorization to operate a non-owned vehicle and annually thereafter.2. Non-owned vehicle drivers must complete all driver-related orientation and training as is required of company drivers.3. Drivers must provide proof of valid license, registration and liability insurance prior to being approved to operate the vehicle for business. Proof of valid license, registration and insurance must be provided annually.4. Non-owned vehicles must be kept in safe operating condition at all times. In jurisdictions where periodic safety inspections are required, driver must provide supervisor proof of passed safety inspection.5. Non-owned vehicles must be operated in accordance with the rules and procedures applicable to company-owned vehicles. Supervisors must verify that all non-owned vehicle drivers have reviewed and understand company vehicle safety rules.6. All applicable vehicle laws and regulations must be followed, including obeying speed limits, wearing seat belts, adhering to the company's prohibition on using mobile technology while driving, etc.7. All fines, defense costs and other legal penalties arising out of ticketed offenses are the responsibility of the driver. | |
| Acknowledgement | |
| <p>I have received, read and understand these rules. For the safety and well being of myself, my clients and the general public, I agree to adhere to these rules at all times. I also understand that failure to follow these policies may result in disciplinary measures up to and including dismissal.</p> | |
| (Employee Signature) | (Date) |

Controlling Mobile Device Distractions while Driving

Distracted driving has become one of the most serious road safety issues out there. Pretty much every driver has access to a cellphone or other in vehicle technology. Effective September 1, 2015 the rules of the road changed to make it illegal to talk, text, dial or e-mail while driving. Although this was implemented it does not guarantee that drivers will refrain from using these devices. There are four steps that your organization can establish an effective mobile device policy to help reduce the risk of distraction-related crashes:

Create

Make sure that you put your policy in writing. It is important to start your organization's positions on mobile device use and other distractions while driving. This will be the foundation of your distracted driving prevention program. This should apply to anyone who drives a vehicle for your business.

Communicate-

Your safety policies should be communicated continuously. A good way to communicate your policy is to ask every employee who drives on company business to acknowledge in writing that they have read it, understand and will follow your policy. You can use emails, newsletters, bulletin boards, defensive driving training and signage in vehicles to reinforce your policy.

Follow

It is important that not only do employees who drive for the business, but all employees, buy into this safety program. When office personnel contact employees while they are driving, or expect an instant response to emails or texts, it can suggest to drivers that business is more important than safety. All employees should understand their roles in making your policy successful. Conversations should be held until the drivers are safely parked.

Reinforce

Managers should define the safe driving practices and expected behaviours of those who drive for business purposes. They should take the appropriate steps to understand who is following these policies and actively promote the desired behaviour. You can also reinforce your policy in a positive manner by thanking employees for making safe responsible decisions about their use of communications technology while driving.

Sample Mobile Device Policy

Accident statistics show that using mobile devices, such as cellular phones, laptops, personal digital assistants, navigation systems, and portable digital audio and video players, while operating a motor vehicle, is distracting and can substantially increase the risk of being involved in a crash. To help reduce the possibility of vehicle crashes, our company has adopted the following mobile device policy, applicable to all employees while driving a company vehicle at any time, or while driving any other vehicle (rented, leased, borrowed or their own vehicle) while conducting company business.

Our company's policy is as follows:

- Employees must comply with all applicable laws and regulations regarding the use of mobile technology while driving.
- Use of handheld cellular phones while driving is prohibited.
- Cellular phone calls using hands-free technology while driving is discouraged. To minimize the impact of distraction, calls, if any, should be brief. Extended conversations should be made while not driving.
- Sending or reading text messages or e-mails, dialing cellular phones, viewing television, videos or DVDs and inputting data into laptop computers, personal digital assistants or navigation systems is prohibited while driving.
- Accidents incurred while the employee is using a mobile device may be considered preventable, and subject to disciplinary action.

I have read the above policy and will abide by it.

(Employee signature)

Conclusion

The implementation or updating of your program can have an overall positive impact on your organization. It can allow less missed hours due to injury, less money spent on maintenance and loss money that has to be spent on claims. MEARIE is here to support you with your program can offer a fleet inspection with a professional inspector. If you are interested, please contact insurance@mearie.ca to coordinate this request.

Additional Resources

[Ministry of Transportation](#)

[Ontario Human Rights Code](#)

[American Transportation Research Institute \(ATRI\)](#)