



Utica National Risk Management Alert

Hired and Non-owned Vehicle Use During the Coronavirus Emergency

With the current public health emergency in the country, all levels of government are mandating aggressive social distancing controls and closure of non-essential services and business. These measures are being taken to slow the spread of the coronavirus and related coronavirus disease (COVID-19).

For example, states have mandated that bars and restaurants close their establishments to sit down/dine-in customers, and grocers are seeing more demand for delivery services, especially for higher-risk members of their communities. As a result, many businesses are now offering delivery or are expanding their delivery capabilities, creating the need for employees to drive and, in some cases, a need to hire additional drivers.

Whenever possible, you should only allow drivers to use company-owned vehicles. However, you may find your business relying on employees using their own vehicles, which can expose you to significant hired and non-owned automobile liability. Businesses will need to take steps to manage this liability exposure. The following best practices can help.

Driver Qualifications

Drivers of personally owned/leased vehicles should meet the same qualification requirements as drivers operating business-owned vehicles.

- Ensure the driver has a valid driver's license and obtain a copy (front and back).
- Obtain a Motor Vehicle Report (MVR) for all drivers under 25 years of age from the state DMV. Do this upon hire and annually thereafter.
- Conduct a road test of all employees who drive on company business. This provides management a means to determine if the employee is a safe driver.
- Only allow designated employees to drive.

Employees who do not meet minimum established company criteria should not be allowed to operate vehicles for the business.

Insurance

- Drivers should be required to provide evidence that they maintain insurance on the vehicle, and the business should keep this information on file. In addition, businesses should consider adding "non-owned auto liability" coverage to their own insurance.
- Personal auto insurance limits of at least \$300,000 is preferred. Consult your agent regarding limits.
- The employee's policy should name the business as an additional insured.

Company Policies

Employees operating vehicles on company business should be required to comply with all driving-related laws and regulations and any business-specified policies, including:

- Distracted and aggressive driving. Cell phones should not be used while driving.
- Drug and alcohol use.
- All occupants of vehicles operated for business purposes should be required to be secured in a safety belt.
- Employees should be required to sign acknowledgements that they will abide by company driving policies.
- Vehicles must be registered. If required, they must have a current inspection.
- Require employees to maintain their vehicle in accordance with the manufacturer's recommended service guidelines.

Motor Vehicle Accidents

- Employees operating their owned/leased vehicles on company business who are involved in a crash should be required to immediately report the incident to management.
- Details of the crash should be recorded by the company in the event the company is involved in future litigation.
- Drivers should exchange the following information:
 - Driver information – the other driver's name, address and phone number
 - Vehicle information – plate number and the make, model, year and color of the vehicle
 - Insurance information – carrier name, policy number, effective dates
 - Witness names and contact information
- The driver should contact their insurance company as soon as possible.

A special note about alcohol deliveries

If your business sells alcohol or alcoholic beverages, it is preferred that you offer take-out service only. However, some businesses are offering alcohol delivery during this emergency.

If you do opt to offer alcohol delivery, the following practices should be followed to limit your liability:

- Delivery personnel must be of legal drinking age.
- Delivery personnel must verify that the customer is legally permitted to purchase alcohol by checking their government-issued ID.
- Your employees should be educated to recognize intoxication – smell of alcohol, slurred speech, unsteady gait, blood-shot eyes, and aggressive/belligerent behavior.
 - If your driver suspects that the customer is intoxicated, the sale should not be completed, should be cancelled and the money refunded.

For additional information visit www.uticanational.com or contact your local risk management representative.

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