

KEEP YOUR BUSINESS MOVING: ESTABLISH SAFE DRIVER PROGRAMS FOR YOUR COMPANY

ALLIANZ RISK CONSULTING



Many businesses – such as pizza deliveries, pest control, and construction – require employees to drive to customers or business partners to provide products and services. But keep in mind, drivers represent your company, and you may be liable for their actions whether they are driving their own car or one of your vehicles.

One of the most important actions you can take to protect your business is to establish a driver qualification program that includes a driving history check. If you own a fleet, it is highly recommended that you also create a more detailed Fleet Loss Control Program.

The consequences of not having these policies in place and enforced could be costly for your company. Consider the following example:

Employee Driving Record Inflates Settlement

A supervisor was driving to work in a company vehicle to conduct an early morning meeting for employees. In the pre-dawn darkness, a jogger crossing the road in front of the vehicle was hit and seriously injured.

Initially, it appeared the accident was not the driver's fault. It was determined during investigations that the scene was poorly lit, and the incident occurred in the middle of the block, not in a crosswalk. The jogger was also wearing dark clothing.

A police investigation and two separate accident reconstructions could not agree on the speed of the vehicle. There is a strong likelihood that it was at or near the posted speed limit at the time of the accident, and no citations were issued. No other contributing causes were named, such as fatigue, vehicle problems, or use of controlled substances by either the jogger or driver.

But it was later determined that the driver had 10 infractions listed on the Motor Vehicle Record, including several major convictions, during a 13-year period before the incident. In the three years before being hired, the driving record listed eight violations including driving while intoxicated, speeding, careless driving, and resisting or obstructing a police officer.

The employer also did not have a written driver qualification program, which typically includes standards for evaluating an employee's past driving experience.

The result is that the claim jogger's was settled in mediation for more than \$300,000, which included approximately \$170,000 in medical expenses. The driver's poor driving record and the employer's lack of a specific driver qualification program significantly increased the settlement amount.

Lessons Learned:

- Although the facts of this case did not clearly show that the driver was at fault, the driver's previous driving record became a major factor in determining an appropriate settlement amount.
- A written driver selection program and routine re-qualification procedure that includes a review of past driving performance are important to have in place prior to a loss.
- Only the most qualified employees should be entrusted with driving responsibilities. A driver with a history of accidents and moving violations is likely to continue to have those problems.



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