



Loss Control Alert

Managing Personal Use of Company Vehicles

We at Everest National Insurance Company have observed an increasing number of vehicle accidents when the units were used for personal reasons such as transporting household materials. Circumstances involving these accidents include intoxicated drivers, reckless driving patterns, and vehicle misuse.

Allowing workers to use company vehicles for their own personal needs can promote good worker morale and help to maintain a positive work environment. However, this practice, if not properly managed, can be very costly. The best policy that can be adopted is to prohibit personal use of company vehicles to protect workers, other persons and company equipment.

The purpose of this Alert is to provide our policyholders with some guidelines in determining if personal use of company vehicles should be permitted and offer suggestions to better manage personal use of company vehicles if authorized by your firm.

Should I Allow Workers to Use My Equipment during Non-Working Hours?

There is no easy answer to this question. Each manager or business owner needs to make a decision based on his or her own operations, workers, and vehicles. From a management perspective, personal use of company vehicles increases the potential for an accident because:

- The more a vehicle is used, the greater potential there is for an accident.
- Limited management controls exist when vehicles are used for personal reasons. Generally, unless you or your supervisors are personally observing the use of your equipment, there is no way to assure it is being operated the way you want it to be.

In making a decision to allow personal use of company vehicles consider these points:

1. Are you willing to incur higher insurance premiums and surcharges resulting from vehicle accidents during personal use?
2. Can you afford the loss of work or customers resulting from damaged vehicles, equipment or injured workers?
3. Can you afford the overtime that may be needed to make up a loss in work resulting from a vehicle accident?
4. Will your business reputation suffer when you arrive at customer's jobs with damaged vehicles or equipment?

How can I Best Manage Personal Use of Company Vehicles?

If, after considering the above items, you decide to allow workers to use your vehicles for personal reasons, Everest National Insurance Company recommends that you establish operating rules regarding the personal use of your vehicles. The following list can be used to help you define your own operating rules:

1. Restrict personal use to designated workers that:
 - Are current drivers for your company and are 21 or older and
 - Demonstrate good work habits and are trustworthy and

- Demonstrate safe driving behavior.
2. Verify that workers have a valid driver's license and acceptable motor vehicle record. Verify the worker can safely operate the requested vehicle.
 3. Require that the only permitted vehicle operator will be your designated employee. Prohibit the worker's family or friends from operating the vehicle.
 4. Prohibit the operation of company vehicles by workers who are intoxicated or under the influence of drugs or any other substance that impairs driving performance. Vehicle accidents involving alcohol or drug impaired drivers should not be tolerated and the employment of these workers should be subject to immediate termination.
 5. Establish rules regarding permitted usage of the vehicles. For example, your rules should address:
 - The types of vehicles available for personal use
 - Towing of trailers, boats or campers
 - Overloading vehicles or transporting more passengers than available safety belts
 - Transportation of prohibited substances or hazardous materials
 - Giving rides to hitchhikers
 - For loan or hire to others, any livery operations or used to generate income
 - Travel to and use in any foreign country (i.e. Mexico and Canada)
 - Attaching equipment such as plows, winches, or luggage carriers
 - Using the vehicle for any other purpose not approved by the company
 6. Require drivers to sign a statement that lists the restricted uses of your vehicle and acknowledges the worker understands and agrees to observe company policies. Include a statement that failure to abide by your policies may result in disciplinary action, up to and including termination of employment. Retain this statement on file. Refer to the attached model personal use permission form.
 7. Require that vehicles be returned in the same condition (appearance and fuel) when loaned to workers.
 8. Make sure workers know what to do in the event of an accident.
 9. Periodically inspect all vehicles and investigate the cause of any unreported damage.

Managing and controlling the safe use of your vehicles is your responsibility. Accidents are costly. It is important to take positive accident prevention efforts to prevent accidents arising from all aspect of your vehicle operations.

Remember, Everest National Insurance Company offers loss control services to help you in your loss prevention efforts. If you would like more information about these services, visit our web site at www.everestnational.com.

Loss Control is a daily responsibility of your individual management. This publication is not a substitute for your own loss control program. The information provided in this Alert should not be considered as all encompassing, or suitable for all situations, conditions, or environments. Each organization is responsible for implementing their safety/injury/illness prevention program and should consult with legal, medical, technical, or other advisors as to the suitability of using the information gained in this Alert.

Model Personal Use Policy

It is the policy of _____ (name of company) to permit personal use of company vehicles under the following conditions:

1. Only employees of this company that meet the following criteria will be eligible to receive a company vehicle for personal use upon request:
 - Must be a current authorized driver of this company's vehicles
 - Must be at least 21 years of age
 - Must demonstrate safe driving behavior
 - Must have company experience in operating the requested vehicle
 - Must have an acceptable driving history as determined by management
 - Must demonstrate good work habits as determined by management
2. The personal use of company vehicles by employees requires written approval by management. No vehicle is to be used unless approved by management.
3. Only the employee requesting the company vehicle it is permitted to operate it. No other persons are permitted to operate company vehicles at anytime.
4. At no time is a company vehicle to be operated if the driver:
 - Consumed any alcoholic beverages or
 - Consumed any prescription, over the counter or illegal drug or substance that may impair driving performance or
 - Is intoxicated or under the influence of any prescription, over the counter or illegal drug or substance
5. Company vehicles are not permitted for any of the following uses:
 - Towing of trailers, boats or campers
 - Overloading vehicles or transporting more passengers than available safety belts
 - Transportation of prohibited substances or hazardous materials
 - Giving rides to hitchhikers
 - For loan or hire to others, any livery operations or used to generate income
 - Travel to and use in any foreign country (i.e. Mexico and Canada)
 - Attaching equipment such as plows, winches, or luggage carriers
 - Using the vehicle for any other purpose not approved by the company
6. Authorized drivers must report all accidents, fines, violations, or driving infractions that occur while company vehicles are being used for personal reasons.
7. All requests must be received at least 1 week prior to the requested date of use.
8. All requests must be in writing, using the Request for Permission to Use Company Vehicle for Personal Use.
9. All vehicles must be returned by the date specified on the Request for Permission to Use Company Vehicle for Personal Use in the same condition or better than when received. If the designated return date is a workday, the vehicle must be returned prior to the start of the workday.
10. Any employee violating this policy is subject to disciplinary action up to and including termination of employment.

President / Owner

Date

Request for Permission to Use Company Vehicle for Personal Use

Vehicle Identification: _____
Year, make model, license #

Authorized Driver: _____ Date of Use: _____
Return Date: _____

Planned use of vehicle: _____

The use of the above company vehicle is permitted subject to the following conditions:

1. Only the authorized driver listed above is permitted to operate this vehicle. No other persons are permitted to operate this vehicle.
2. At no time is this vehicle to be operated if the driver:
 - Consumed any amount of an alcoholic beverage or
 - Consumed any prescription, over the counter or illegal drug or substance that may impair driving performance or
 - Is intoxicated or under the influence of any prescription, over the counter or illegal drug or substance
3. **The following uses are strictly prohibited for all vehicles:**
 - Towing of trailers, boats or campers
 - Overloading vehicles or transporting more passengers than available safety belts
 - Transportation of prohibited substances or hazardous materials
 - Giving rides to hitchhikers
 - For loan or hire to others, any livery operations or used to generate income
 - Travel to and use in any foreign country (i.e. Mexico and Canada)
 - Attaching equipment such as plows, winches, or luggage carriers
 - Using the vehicle for any other purpose not approved by the company
4. **The authorized driver listed above also agrees to the following:**
 - To safely operate this vehicle and obey all traffic laws, wear safety belt and require all other passengers to wear safety belts.
 - To immediately report to my employer all driving infractions, violations, fines or accidents that may occur while this vehicle is under my control.
 - To return the vehicle on or before the stated Return Date in the same condition as I received it.

I am the employee requesting the use of the above vehicle. I have read the above rules and agree to them. I understand that failure to follow any rule is subject to disciplinary action up to and including termination of employment.

Authorized Driver Printed Name	Authorized Driver Signature	Date
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As a member of management for this company, I have reviewed this request and grant permission to use the vehicle for the stated purpose. I have also reviewed the age, driving record, qualifications to operate the requested vehicle and license of the authorized driver and find that the employee meets all company requirements for the personal use of this vehicle.

Management Signature	Date
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