



Risk Management Considerations for Automobile Associated Risks

There are numerous distractions, events and situations that can arise while driving a motor vehicle. Some of these events can be controlled and others are uncontrollable. A few examples of claims that can occur include:

- Collision with another vehicle
- Collision with an animal, (deer, moose)
- Damage to a vehicle in a parking lot
- Driver backing into a vehicle
- Driver error
- Weather and road conditions, causing accident or vehicle damage

Organizations can be exposed to automotive risks in the same manner as every person driving on the road. The operation and maintenance of the vehicle and the competence and training of the operator are the key factors in these risk exposures. Ensuring that you have completed your due diligence will help to alleviate your liability associated with automobile exposures.

Owned Vehicles

Organizations can have their own vehicles for employees to use for work related activities. These work related activities can include taking residents to appointments and outings, or picking up supplies. There are numerous

exposures to be aware of and procedures that should be in place to help protect the facility from liability, property and personnel losses.

Tips for Mitigating the Risk:

- A fleet safety program should be developed and implemented.
- A regular maintenance procedure should be in place for all vehicles by a certified mechanic and records of all maintenance and repairs should be retained.
- Preventative checks for proper operation of the vehicle should be completed daily for all vehicles before they are used.
- All vehicles must have copies of insurance and ownership.
- Each employee should be instructed on how the vehicle operates.
- All vehicles should be registered with a roadside assistance program.
- Driver training should be provided for all employees using the vehicles.
- Each employee should be provided with, and sign, a driver's code of conduct defining rules of use, responsibilities and an acknowledgment that they will follow the rules of the road. This document should be retained by the organization.

- Each employee should have signed the corporate cell phone usage policy prior to using any vehicles.
- Drug and Alcohol Testing Programs should be in place and utilized as required.
- A procedure should be in place for how the vehicles are used by the employees. Are the employees using the vehicles for personal errands? Do employees take the vehicles home at night? These actions increase exposures.
- If the vehicles are stored at the facility they should be located in a garage or in a well-lit area and completely visible from the adjacent streets. Alarm systems on the vehicles will help to deter thieves and damage to the vehicles.
- Copies of driver's licenses should be on file for all employees using the vehicles as well as a driver abstract from the Ministry of Transportation from the Province in which the facility operates.
- The employees driving performance should be monitored regularly for traffic infractions, accidents and damage to the vehicle. A procedure should be in place to eliminate problem employees from driving, as necessary.
- All employees should be instructed on how to deal with an accident or damage to vehicles.

Non-Owned Vehicles

Many organizations will not have their own vehicles for their employees to use. Therefore, the employees may be asked to use their own vehicles to complete certain work related activities. These work related activities can include traveling between offices or clinics, doctor appointments, bank visits, social outings, completing deliveries, or pick-up of medical equipment. There are numerous exposures to be aware of and procedures that should be in place to help protect the facility from liability, property or personnel losses.

Tips for Mitigating the Risk:

- A copy of the employee's driver's license and driver abstract should be provided and retained on file.
- A copy of the employee's insurance policy should be provided and retained and should contain information on the type of coverage and deductibles. The employee is the primary insured and such the liability in any situation rest with them first. Review your auto policy to ensure you have suitable non owned insurance coverage.

- Each employee should be provided with and sign a driver's code of conduct defining rules of use, responsibilities and an acknowledgment that they will follow the rules of the road. This document should be retained.
- Each employee should have signed the corporate cell phone usage policy prior to using their vehicle for work related activities.
- Drug and Alcohol Testing Programs should be in place and utilized as required.
- A formal procedure should be in place to compensate the employees for the use of the vehicle, fuel consumption and wear and tear.
- All employees should be instructed on how to deal with an accident or damage to vehicle.

Third Party Transportation

Third party transportation services may be used to take clients to doctor appointments, hospital visits, transfer to other facilities or to go on an excursion. This is a unique risk exposure as some clients are able bodied and others may require the use of wheelchair or may be required to stay in a bed. It is important to ensure the appropriate procedures are in place for the safe movement of clients.

Tips for Mitigating the Risk:

- When third party transportation services are used, copies of driver licenses, insurance policies and criminal record check should be provided and retained.
- Confirmation should be provided prior to the movement of the client who is responsible for loading and unloading of the client in to the vehicle.
- Documents and personal records may need to be moved with the client, if such items must travel with the client, measures must be taken to ensure that they stay with the client and are not mixed up with someone else's in the vehicle.

Provincial Law

- Newfoundland law mandates that the registered owner of the vehicle bear the primary responsibility for liability arising from the ownership, use or operation of their vehicle. This is found within the *Insurance Act of the Province of Newfoundland* which is the governing legislation for automobile insurance in Newfoundland

- Prince Edward Island law mandates that the registered owner of the vehicle bear the primary responsibility for liability arising from the ownership, use or operation of their vehicle. This is found within the *Insurance Act of the Province of Prince Edward Island* which is the governing legislation for automobile insurance in Prince Edward Island.
- Nova Scotia law mandates that the registered owner of the vehicle bear the primary responsibility for liability arising from the ownership, use or operation of their vehicle. This is found within the *Insurance Act of the Province of Nova Scotia* which is the governing legislation for automobile insurance in Nova Scotia.
- New Brunswick law mandates that the registered owner of the vehicle bear the primary responsibility for liability arising from the ownership, use or operation of their vehicle. This is found within the *Insurance Act of the Province of New Brunswick* which is the governing legislation for automobile insurance in New Brunswick.
- Ontario law mandates that the registered owner of the vehicle bears the primary responsibility for liability arising out of ownership and the use or operation of their vehicle. This information is found within the *Insurance Act of the Province of Ontario* which is the governing legislation for automotive insurance in Ontario.
- Manitoba law mandates that the registered owner of the vehicle bear the primary responsibility for liability arising from the ownership, use or operation of their vehicle. This is found within the *Insurance Act of the Province of Manitoba* which is the governing legislation for automobile insurance in Manitoba.
- Saskatchewan law mandates that the registered owner of the vehicle bear the primary responsibility for liability arising from the ownership, use or operation of their vehicle. This is found within the *Insurance Act of the Province of Saskatchewan* which is the governing legislation for automobile insurance in Saskatchewan.
- Alberta law mandates that the registered owner of the vehicle bear the primary responsibility for liability arising from the ownership, use or operation of their vehicle. This is found within the *Insurance Act of the Province of Alberta* which is the governing legislation for automobile insurance in Alberta.
- British Columbia law mandates that the registered owner of the vehicle bear the primary responsibility for liability arising from the ownership, use or operation of their vehicle. This is found within the *Insurance Act of the Province of British Columbia* which is the governing legislation for automobile insurance in British Columbia.

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