



Personal Use of Company Owned/Leased Vehicles

Allowing the personal use of company owned/leased vehicles greatly increases a company's exposure to loss. Many companies allow the practice, as an employee fringe benefit, and therefore need to have policies in place to help minimize the risk. Such personal use may include using the vehicle to commute to and from home, run personal errands between business activities, or use of the vehicle during 'off-hours' (e.g., weekends, evenings, etc.)

A vehicle operation policy detailing allowed personal use of company vehicles, as well as requirements for the use of restraints, obeying traffic laws, towing of trailers, etc., must be in place and applied equally to all employees. Some issues to cover in the policy include:

Who May Drive the Vehicle?

A company should "qualify" an employee-driver before allowing them to operate a company vehicle. This qualification process should extend to any other permitted operators, if personal use is allowed beyond the employee.

Where driving will be allowed beyond the employee, a minimum policy should include that "driving is restricted to the employee and spouse, and that no children or other persons may drive the company vehicle, except in emergencies." Where a spouse is allowed to drive the company's vehicle, a copy of the spouse's driver license should be kept on file and the driver's Motor Vehicle Record should be obtained (on an ongoing basis) and reviewed to assure that the spouse meets the company's criteria for a 'qualified' driver.

All drivers should be required to promptly report any convictions for moving traffic violations or accidents involving the company's vehicle.

Vehicle Operation

A copy of the company's vehicle operation policy should be provided to any additional driver and a signed receipt indicating that the driver has received these policies should be included in the employee/driver personnel file. Driver evaluation and training requirements also should be extended to the additional driver.

What is the Allowed Radius of Operation or Mileage Restriction?

Where personal use of a company vehicle is allowed, the company should establish restrictions on the use of the vehicle beyond a certain radius of operation or limitations on the maximum number of miles allowed for personal use.

Employees should be required to log and report any personal mileage in the company's vehicle. Having the employee pay a per-mile charge for personal use can help limit the usage.



Use of Vehicle Restraints

Company policy should require the use of vehicle restraints any time a company vehicle is being operated. It is critical that this also be specified in policies addressing personal use of company vehicles. The policy should clearly state that all drivers and passengers are to be properly restrained in the vehicle (e.g., children should be restrained in approved safety seats).

Accidents

Drivers should be required to report any accident involving a company vehicle to the employee's supervisor or other designated company representative as soon as possible following an accident. A copy of the vehicle registration and insurance information, as well as a preliminary accident report form, should be carried in the vehicle at all times.

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