

Vehicle accidents are the greatest source of loss for many organizations. Implementing fleet loss prevention methods may result in:

- fewer losses
- less severe or costly losses
- lower insurance premiums in the long run.

Whether you own the vehicles your employees or volunteers use or they use their own vehicles, there are risks that you need to consider and manage.

Legal Liability

Vicarious Liability:

An employer is generally responsible for the negligence of its employees/volunteers while they are operating vehicles or equipment within the scope of their employment.

Key Point

Organizations may be liable for vehicle accidents whether the vehicles are owned or non-owned.

Never Admit Liability:

It is very important to instruct your drivers never to admit liability after an accident, because it may cause unnecessary disputes and may create uncertainty about liability.

Compliance:

There are many regulations and other legislation that must be complied with when dealing with motor vehicles.

- The Motor Vehicle Safety Act (see additional resources) sets out standards and inspection requirements for all vehicles and equipment in Canada.
- The National Safety Code (NSC) (see additional resources) for motor carriers is mandatory for trucks, tractors and trailers with a registered gross vehicle weight greater than 4,500 kg (10,000 lbs).

Other provincial/territorial regulations and legislation must also be complied with (see additional resources).

Risk Management

1. Determine the extent of fleet loss exposures (types, causes, sources, number and cost of potential accidents):
 - Use the risk management process to identify and determine the frequency and severity of fleet risks.
 - Benchmark - compare losses to others in the industry.

Key Point

Preventative maintenance is an essential part of an effective fleet risk management program.

2. Implement a preventative maintenance (PM) program that includes a regular inspection and maintenance schedule. Vehicle-operating manuals will often suggest a maintenance routine. **Documentation is key.**

3. Create fleet policies and procedures that could include:
 - A Motor Vehicle Safety Policy that would establish the organization's philosophy of safety and the way it expects drivers to perform (sample below).
 - A Vehicle Selection and Acquisition Policy that would establish the minimum safety requirements for new vehicle purchases.
 - A Preventative Maintenance (PM) Policy.
 - A policy for the disposal of vehicles to ensure that ownership is entirely transferred.
 - A driver screening and hiring policy to establish minimum requirements of drivers (e.g., number of years experience, maximum number of traffic violations, etc.)
 - A list of unauthorized uses including driving while impaired (drugs, alcohol, prescription medications, health impairments, fatigue, etc.), personal use, driving outside given geographical areas, etc.
 - Maximum allowable speeds.
 - Safe following distances.
 - Directions for proper fuel storage and disposal.
 - A policy on night-driving that addresses issues of stimulant and headlight use.
 - Procedures around parking and reversing.
4. Create a fleet safety manual for drivers. Each driver should have access to a copy. If each driver has read and has access to the policies and procedures, there is no excuse not to abide by them.
 - Include all company policies and procedures related to driving.
 - Create a pocket manual with key points, for quick and frequent reference.
5. Communicate any policy/procedure changes to all drivers. Have them sign to acknowledge that they understand the new policy/procedure and will abide by it.
6. Encourage drivers to give feedback and suggestions about how to improve fleet safety.
7. Ensure drivers receive regular training. Provide refresher courses.
8. Ensure vehicles are stored in a safe place after hours to prevent theft.
 - Install vehicle alarm systems.
 - Lock the doors.
 - Do not leave valuables in plain view.

- Ensure that indoor storage of vehicles is safe and that safeguards such as exhaust fans, fire suppression systems, fire alarms, etc. are in place. Give consideration to the potential risk of losing several or all vehicles in one incident and how that risk might be mitigated, for example, by separating the vehicles or using different buildings/locations.
9. Reward and publicize safe driving.
10. Ensure drivers know the procedure to follow in the case of an incident/accident.
- Provide them with a first-aid kit.
 - Provide them with a safety kit, which should include a shovel, tow rope, booster cables, tool kit, fuel line antifreeze, flashlight, blankets, candles and matches.
 - Make sure they know their supervisor's phone number and the phone number for emergency services.

Non-Owned Automobiles

You cannot insure a vehicle that you do not own. Employees or volunteers using their vehicle for your organization's purposes must insure their own vehicles. You can reimburse them for some or all of their expenses, and there is insurance available to protect your organization, but the vehicle owner must insure the vehicle. If you require employees or volunteers to use their vehicles for your organization's purposes you could incur liabilities as a result. You should consider how to protect your organization and employees and volunteers from claims arising from using non-owned autos.

Key Point

Carefully consider the risks associated with employees or volunteers using their own vehicles for your organization's purposes.

In addition to the general risk management points above, the following are considerations regarding employees or volunteers using their own vehicles for your organization's purposes:

1. Implement a written policy for non-owned autos including:
- If and how employees/volunteers will be compensated for using their vehicles.
 - The limit of liability you request/require that employees/volunteers carry and if/how you want them to prove it. For example, you might make an annual request that they show proof of insurance that covers business/volunteer use.
 - How employees/volunteers will be using vehicles.

2. Check with your insurance representative to make sure that your organization has the necessary coverages to protect you in case an employee/volunteer who is not insured or inadequately insured has an accident while conducting your business.

Claims Handling

Accidents: An accident is an event that results in harm to people, damage to property or equipment, or loss of process or productivity. An accident report (sample below) should be filled out if an accident occurs.

Incidents: An incident is an event that, under slightly different circumstances, could have resulted in harm to people, damage to property or equipment, or loss of process or productivity. An incident report (sample below) should be filled out each time an incident occurs.

1. Park the vehicle in a safe location and turn on applicable warning signals.
2. Attend to injured persons. Do not attempt to move injured persons unless it is to get him/her away from an area of immediate danger such as fire or traffic. Do not attempt treatment beyond first aid.
3. Call or ask a bystander to call 9-1-1 or the emergency number for the police, ambulance and fire department if necessary. Do not leave the scene of the accident unless it is to call one of those services.
4. Notify a supervisor as soon as possible.
5. Complete a fleet incident or fleet accident report.
6. Report accidents to your insurer. Provide them with:
 - a. details of the accident; and
 - b. information about steps that had been taken to avoid the accident.
7. Take pictures of the area where the accident occurred.
8. Record the names and contact information of any witnesses. Record detailed descriptions of the accident from the victim and witnesses.
9. Refer any discussions with the claimant to your insurer. NEVER ADMIT LIABILITY OR PROMISE TO PAY FOR EXPENSES INCURRED BY THE OTHER PARTY! Instruct drivers never to admit fault on behalf of the organization. They should say "I'm not

Key Point
The way that accidents and incidents are handled can have a significant impact of the cost of claims.

permitted by my employer to discuss the circumstances of the incident. I will, however, be reporting the incident immediately, and an authorized person will contact you.”

10. Document all information related to incidents.
11. Investigate potential causes and implement preventative measures. Consider striking an Accident Review Committee, especially if you have many vehicles.

Additional Resources

Federal Acts and Regulations:

Motor Vehicle Safety Act, 1993

<http://www.tc.gc.ca/acts-regulations/GENERAL/M/mvsa/menu.htm> .

Motor Vehicle Transport Act, 1987

<http://www.tc.gc.ca/acts-regulations/GENERAL/M/mvta/menu.htm>

National Safety Code

<http://www.ccmta.ca/english/publicationandreports/publicationandreports.html#NSC>

Provincial Legislation:

Alberta Traffic Safety Act

http://www.qp.gov.ab.ca/catalogue/catalog_results.cfm?frm_isbn=0779729714&search_by=link

BC Motor Vehicle Act

http://www.qp.gov.bc.ca/statreg/stat/M/96318_00.htm

Manitoba Highway Traffic Act

<http://web2.gov.mb.ca/laws/statutes/ccsm/h060e.php>

New Brunswick Motor Vehicle Act

<http://www.gnb.ca/acts/acts/m-17.htm>

Newfoundland and Labrador Highway Traffic Act

<http://www.hoa.gov.nl.ca/hoa/statutes/h03.htm>

Nova Scotia Legislature

<http://www.gov.ns.ca/legislature/legc/>

-select “Consolidated Public Statutes”, then select “Motor Vehicle Act”

Ontario Highway Traffic Act

http://www.e-laws.gov.on.ca/DBLaws/Statutes/English/90h08_e.htm

PEI Highway Traffic Act

<http://www.gov.pe.ca/law/statutes/pdf/h-05.pdf>.

Saskatchewan Highway Traffic Act

<http://www.qp.gov.sk.ca/index.cfm?fuseaction=publications.details&p=560>

Other Resources:

Canadian Automobile Association

<http://www.caa.ca/e/automotive/index.shtml>

Canadian Council of Motor Transport Administrators

<http://www.ccmta.ca/english/index.html>

Canada Safety Council

<http://www.safety-council.org/info/traffic/traffic.htm>

Commercial Vehicle Safety Alliance

<http://www.cvsa.org/>

Natural Resources Canada: FleetSmart

<http://oee.nrcan.gc.ca/transportation/fleetsmart.cfm>

Natural Resources Canada - Personal Vehicles Initiative

<http://oee.nrcan.gc.ca/transportation/personal-vehicles-initiative.cfm>

Transport Canada

<http://www.tc.gc.ca/en/menu.htm>

Sample Motor Vehicle Safety Policy

Purpose:

To establish a fleet loss-prevention program that will:

- reduce costs related to the purchase, maintenance and repairs of, and accidents involving, the organization's vehicles; and
- assist in reducing vehicle accidents.

Responsibilities:

Supervisors shall:

1. Ensure that drivers are qualified, trained and certified.
2. Ensure that all employees are familiar with motor vehicle safety policies and procedures and accident/incident reporting requirements, and frequently check on their compliance.
3. Maintain all vehicles adequately for safe operation and ensure that only authorized personnel are allowed to operate vehicles.
4. Ensure that unsafe vehicles are not driven until safety deficiencies have been corrected.
5. Review each incident/accident report to determine if the employee's actions were consistent with the firm's policies and procedures.
6. Determine what additional training or other positive action is required to deal with driver error.
7. Maintain complete records on fleet vehicle accidents/incidents.

Employees/Volunteers driving the organization's vehicles shall:

1. Operate motor vehicles in a safe and responsible manner.
2. Become familiar with and obey all motor vehicle safety policies and procedures, and provincial highway traffic rules and regulations.
3. Inspect the vehicle that he/she is about to drive and report to his/her supervisor in writing all defects noted during the trip or inspection (if any).
4. Report all motor vehicle accidents/incidents immediately in accordance with the accident/incident reporting procedures.
5. Report immediately to the supervisor any suspension of driving privileges and cease to operate any fleet vehicle until his/her privileges are reinstated.

Fleet Risk Management



Sample Fleet Accident Report

Background Information

Today's Date:		Time:	
Accident Date:		Time:	

Weather Conditions: _____

Road Conditions: _____

Police File #: _____

Driver Information

Driver Name	
Employee #	
Driver's License #	
Home Phone #	
Work Phone #	
Cell Phone #	
Department	

Vehicle Information

Unit #	
VIN	
Plate #	
Speed (km/h)	
Damage (\$)	
# of Occupants:	

Any employee(s) injured? ___

Description of Damages _____

Witness Information

Name	Phone #(s)

Property Damage (other than to vehicles)

Owner's Name:	
Phone #:	

Location:	
-----------	--

Description of Damage _____

Draw a diagram of the accident on the back of this page.

Third Party Vehicle 1

Driver Name	
Address	
Home Phone #	
Work Phone #	
Cell Phone #	
Driver's Licence #	
Licence Plate #	
Year/type of Vehicle	
Speed (km/h)	
Damage (\$)	
Insurer	
Policy #	

Owner name, address, phone (if not driver):

Occupants (besides drivers)

Name	Phone #

Any persons in vehicle 1 injured? ___

Third Party Vehicle 2

Driver Name	
Address	
Home Phone #	
Work Phone #	
Cell Phone #	
Driver's Licence #	
Licence Plate #	
Year/type of	

Fleet Risk Management



Vehicle	
Speed (km/h)	
Damage (\$)	
Insurer	
Policy #	

Occupants (besides drivers)

Name	Phone #

Owner name, address, phone (if not driver):

Any persons in vehicle 2 injured? __

Sample Fleet Incident Report

Incident Description

Reporter Name	
Date and Time of Report:	
Date and Time of Incident	
Location of Incident	
Conditions at the time of incident (weather, status of job, etc.)	
Description of incident (What vehicles, equipment, etc. were involved? What happened?)	

Person(s) involved

Name	Address	Phone Number

Witnesses

Name	Address	Phone Number

Risk Management

List the potential hazards of the incident	
Recommended action(s) to	

Fleet Risk Management



prevent recurrence	
Person(s) responsible for implementing recommended action(s)	

Supervisor Signature: _____