



LESSONS LEARNED

Personal Use Of Company Vehicles

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Each of following incidents involving personal use of a company vehicle resulted in discipline to the employee. While this sent a message to the involved employee and possibly to the rest of the organization, it did not prevent these incidents and would not effectively prevent a recurrence.



THE CASE OF THE TEEN DRIVER
Joe Howard was a successful marketing manager in the Pacific Northwest, using a company car to travel between clients. Since the office was 20 minutes from his house and he often left early in the morning when he drove to make customer calls, he took the car home. Some personal use of the car was also considered a perk for his position and his success as a deal closer, as was the purchase of a full-sized car for this management level.

One Friday night, Joe's teenage son was allowed to use the company car. While driving around with four of his high school friends, they were involved in an accident, which was a result of excess speed and careless driving by Joe's son. All five teenagers were injured, with one losing a kidney as a result of the accident.

THE CASE OF THE DOZING DRIVER

While returning from a college football game in Boston, Mike Cosole dozed momentarily and drove his company SUV off the road, hitting a tree. He received only superficial injuries, while his fiancé sustained a concussion and was in a coma for 10 days. She had not been wearing a seat belt.

Having left Keasby, NJ, early Saturday morning and driven the 250 miles to Boston for the football game, Mike was returning to New Jersey when the accident occurred. He worked as a service engineer, supervising the installation and removal of storage tanks, so the SUV allowed him to transport technicians and equipment from one jobsite to another. He was allowed to have personal use of the vehicle, with no stipulation as to how far he could go from home, nor was there a discussion of driving limits or fatigue.

THE CASE OF LATE ACCIDENT REPORTING

At 1:30 AM one Wednesday morning, salesman Bill Morrison, with his wife and neighbors in the car, turned a Ford Taurus on its side in a warehouse parking lot. The accident wasn't reported until late Friday afternoon, which made ascertaining the exact circumstance of the accident difficult. But the supervisors investigating suspected that alcohol and excessive speed were involved, as Bill's Motor Vehicle Record showed a history of alcohol-related incidents.

The incident was reported on Friday only because everyone except Bill was injured, and

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the other couple wanted to know to which insurance company to send the bills.

While the vehicle was not assigned to Bill for personal use, neither was Bill prohibited from taking it home. Managers and administrative staff knew that Bill and other company personnel used company vehicles for personal activity.

THE CASE OF THE MECHANIC GONE FISHING

George Kenton was a mechanic who serviced company equipment that was leased and installed at customer sites. He used a service truck with a toolbox body, which allowed larger equipment and instruments to be carried in the bed of the truck and smaller tools and equipment to be placed in the cabinets located around the sides of the tool box body. The truck also had a hitch on the rear for towing a trailer when additional equipment was needed at the job site. It was not uncommon for George to take the truck home at night.

Not only was George a good mechanic, but he was also a good fisherman. He would use the company truck to tow his boat to the lakes around East Texas to go fishing. On one occasion, the truck slipped backwards on the boat ramp and sunk in seven feet of water. Many tools were lost and several instruments and other equipment were damaged or ruined, in addition to the water damage to the truck.

BEST PRACTICES

To help prevent accidents like the above, an effective long-term course of action is for company management to review their vehicle policy and decide the:

- Individuals who should be assigned vehicles
- Intended use of the vehicle
- Limitations for the use of the vehicle

Safety risk management best practices suggest

that companies should develop a written vehicle use policy. This policy should address the issues developed in the management review. The following issues should be considered in the written policy:

- Criteria for assigning vehicles for employee use
- When are employees expected to use unassigned company vehicle — for business and non-business use?
- When are personal or rental vehicles to be used for company business?
- Who are the authorized drivers of company vehicles? Are teenagers or non-employees excluded?
- Periodic review of employee Motor Vehicle Records (MVR) for major violations and DUI/DWI incidents
- Work-day length and fatigue as it relates to driving
- Seat belt use
- Accident reporting requirements
- Speed policy
- Use of company vehicles for recreational activities
- Personal insurance limits for personal use of a company vehicle

Since company vehicles are used for a variety of jobs and activities, management should develop a program that meets the needs of the organization and balances these needs with effective risk management for the company. If you need assistance in developing a vehicle safety program, please contact XL Environmental's Risk Control Division at 800-327-1414.

Frederick Clark has a BS degree in Chemistry and over 30 years of experience in the safety, health and environmental field. He has gained expertise in many aspects of personal and fleet safety and loss control management. He serves the fleet safety needs and distribution-related needs of clients by providing training, assessments, risk analyses, and other loss prevention programs.

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