

# Loss Prevention

Please route to:

- Owner
- General manager
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- Service manager
- Office manager

## Driver selection: Motor Vehicle Records

Vehicle accidents cost you money, lots of money in lots of different ways. Physical damage to third party vehicles, your vehicle, bodily injury claims, workers' compensation and legal defense costs. Negligent entrustment is becoming a significant exposure. In some states, court awarded punitive damages are not insurable and would be paid by you. It's easy to see that hiring the best and safest drivers available is a sound management decision, and an excellent loss prevention practice.

Selecting good drivers is the first and most critical element of a vehicle loss prevention program. Statistics have proven that drivers with a history of moving violations and vehicle accidents are more likely to have additional accidents. Research conducted in one state indicated that drivers with one to three traffic violations will have up to approximately twice as many accidents as someone with no violations.

The first step in evaluating a prospective employee's driving record is to verify that the individual has a current, valid driver's license. Next, a Motor Vehicle Record (MVR) for the previous three years should be obtained from each state where a driver holds a license in accordance with applicable laws. If the person has a Commercial Driver's License (CDL), they can only be licensed in one state. There are several methods by which an MVR can be obtained. The prospective employee can be

required to supply their own MVR and turn it in with their application. The state agency responsible for these records can also be contacted directly to obtain this information. Vendors offer a third option. There are some that can, for a fee, obtain MVRs within hours.

Once it has been obtained, evaluation of the MVR is very important. Management should establish a criteria for evaluating the driver's records as part of the screening process. Bear in mind when developing this criteria that it must be applied uniformly throughout the organization for all drivers. Many companies follow guidelines similar to those developed by some state agencies that are based on a "point system". A number of points are assigned to violations and they accumulate for a three year period. A designated number of points should trigger predetermined corrective measures. The following is a guide for determining the severity of some violations:

### **Violations which present a substantial liability exposure:**

- Driving under the influence of alcohol or drugs
- Any license revocation or suspension
- Reckless driving where bodily injury or property damage results
- Hit and run

**Other violations that present liability exposure include:**

- Speeding
- Failure to yield right of way
- Driving too fast for conditions
- Operating an unregistered vehicle
- Using false registration or license
- Driving while license is under suspension

Conducting the pre-employment MVR check is a good first step, but it should not be the last time the employee's MVR is reviewed. Driving records and habits can change quickly, so it's a good idea to check MVRs as often as every three months, but not less than once each year. It is important to monitor employee driving habits to ensure that drivers maintain a safe driving record. A deteriorating driving record

may indicate the need for additional training, counseling or suspension of business related driving privileges.

One word of caution. Seek legal advice prior to implementing an MVR program to ensure compliance with all local, state, and federal laws pertaining to the use of MVRs and other "personal information" in hiring practices.

If you have any questions or comments, contact your Zurich account executive or the Loss Prevention Department at 800-821-7803.

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