

GUIDELINES FOR USE OF PERSONAL VEHICLES ON AGENCY BUSINESS



All organizations insured under Master Policy No. MMP 0719-07, as per the policy wordings and declarations, carry Non-Owned Automobile Liability Insurance (Section II – Coverage E). This coverage protects the agency from liability lawsuits that may arise from the use of vehicles not owned by the agency, during the course of their operations. However, this coverage does not protect the employee/volunteer for damages to their vehicle or any third party liability that may arise from the use of their own vehicle, even while on driving in their course of employment/volunteering. Employee/volunteer liability for the use of his/her vehicle would fall under their own Ontario Automobile Policy (OAP1), as this would be the primary policy.

Further, it is important that your agency checks that employees/volunteers, driving on business, carry enough insurance (\$1,000,000 - \$2,000,000 minimum) and have informed their personal broker/insurer that they are using their vehicle for this purpose. The majority of vehicles are rated for recreational/personal use (this includes driving to and from work) and are rated differently by insurers if used for business. This is a material change in risk and it is important employees/volunteers relay this information to their current carriers.

The standard third party liability limit issued among most insurance companies is \$1,000,000 on the majority of Ontario Automobile Policies (OAP1). However, the legal minimum limit of liability an individual can purchase in Ontario is \$200,000. We would advise mandating that employees/volunteers driving on business insure their vehicles with a minimum third party liability limit of \$1,000,000.

FOR MORE INFORMATION, PLEASE CONTACT YOUR MARSH CANADA LIMITED LICENSED INSURANCE BROKER AT:

416 349 4453 or 1 888 711 7340 tamara.berlana@marsh.com | marek.malycha@marsh.com

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We also suggest the following risk management strategies for employees/volunteers using their personal vehicles for business purposes especially when carrying client passengers:

- Have employees/volunteers sign a waiver confirming they have a valid driver's licence and the required amount of liability insurance;
- Have employees/volunteers sign a waiver confirming they have notified their insurer/broker of the change in use of their vehicle;
- Obtain a driver's abstract (available from the Ministry of Transportation or local Ministry kiosk for a charge) or letter of experience (obtained from the driver's insurance company at no charge) which shows the driver's accident history;
- In the event of an emergency, employee/volunteer drivers should call 911 to have an ambulance take the individual to the emergency room and not use their vehicle; and
- Drivers shall not use a mobile phone, Blackberry®, iPhone®, other two-way communication device, or hand-held entertainment device while operating the vehicle.