

Berkley Life Sciences Fleet Safety Newsletter Article Series – Article 2 Verification of Driver Qualifications and Acceptable Driving Records



The life science industry typically requires a workforce with specialized experience, training, or education. We spend time and effort finding the right employees to support the development, production, quality, and marketing of our product(s).

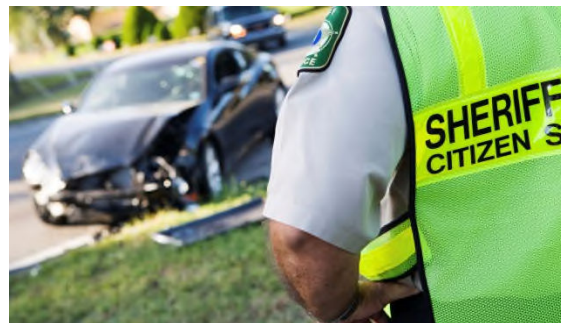
Imagine that you are currently looking for a highly qualified sales representative.

Meet Steve. He has over 15 years of sales experience in your life science industry, and by all accounts from his previous employers, he is a top-notch sales representative. You have offered Steve the job. As a sales representative for your company, he will be provided with a company vehicle. You have confirmed his valid driver's license, knowing he can legally drive a company vehicle.

Steve has a valid driver's license. Is there any other information you will obtain about Steve prior to allowing him to drive for company business?

If the state says Steve is licensed to drive, why would you need to know more?

Picture this: Steve is on his way to visit a client. Pressed for time, he runs a red light, hitting another vehicle with a mother taking her two young children to school. Now, suppose that Steve has a history of traffic violations, including multiple speeding violations.



Why should his previous driving record matter to you? According to a California Department of Motor Vehicles study, there is an increased probability of subsequent accidents for drivers with increased prior citations and prior accidents.¹ Multiple accidents or certain types of citations, such as speeding or reckless driving, may be indicative of whether a driver chooses to engage in potentially risky driving behaviors. This could increase the probability that they will be involved in a vehicle accident. Remember from our [previous article](#) that *if an employee has an on-the-job crash that results in an injury, the employer's cost is an average of \$74,000 and may exceed \$500,000 if the crash results in a fatality.*² The liability costs may be on the higher end if the employer was found to

¹ CA Department of Motor Vehicles STRATEGIES FOR ESTIMATING DRIVER ACCIDENT RISK IN RELATION TO CALIFORNIA'S NEGLIGENT OPERATOR POINT SYSTEM, July 1999
(http://apps.dmv.ca.gov/about/profile/rd/r_d_report/Section_4/S4-183.pdf)

² NHTSA [2003]. The economic burden of traffic crashes on employers: costs by state and industry and by alcohol and restraint use. Publication DOT HS 809 682.

have negligently entrusted a vehicle to an employee whom they knew, or reasonably should have known, was unlicensed, incompetent, or otherwise unqualified to drive. Some questions that may come up following Steve's accident:

- What constitutes an acceptable driving record for your drivers, both at the time of hire and on an ongoing basis? Are driving positions limited only to drivers with acceptable driving records? Are driving privileges revoked consistently when these criteria are not met, or are decisions made on a case-by-case basis?
- Did you hire or retain an employee with a poor driving record?
- Did you retain an employee who consistently failed to comply with company vehicle safety policies?
- Did you have disciplinary policies and procedures that addressed the employee's lack of compliance with vehicle safety policies? Did you follow these policies and procedures?
- Did you allow an employee to continue to drive following suspension or revocation of their driver's license or after the employee (or others) indicated that they were unfit to drive?

When answering these questions, consider what the impact might be if your company does not have policies or procedures that address the hiring of qualified drivers, ensuring that your drivers maintain their qualifications, and dealing with drivers who no longer comply with company requirements. Will your company be able to demonstrate an appropriate level of due diligence not to entrust a company vehicle to an unqualified driver?

How can you manage these exposures? A fleet management plan should be in place and must include the company's definition of an "acceptable driver" and "acceptable driving record." The plan should also describe the procedures that will be followed when it is determined that a driver no longer meets these requirements. The plan should be implemented consistently for all new hires and employees. Best practices should include, as a minimum, the following:

1. Conducting background checks on all new hires.
2. Confirmation that employees driving for company business have the appropriate licenses required to operate the vehicles they use.
3. Checking the driver's Motor Vehicle Record (MVR) upon hire and periodically through employment.
4. Establishment of criteria for acceptable motor vehicle records and documenting this in your fleet management program. Typically, strong policies will name violations that are not tolerated (for example, DUI, reckless driving, suspension or revocation of driver's license, multiple speeding violations). Some policies may use a point system like a state Department of Motor Vehicle (DMV) point system: if drivers accumulate too many points, they are no longer permitted to drive as part of their employment. To deter poor driving practices, some companies choose to have their policy require intervention and retraining when the driver reaches half the points, which would result in the state DMV revoking his driving privileges. For example, if a state suspends driving privileges at 12 points, the driver will receive an intervention at 6 points.
5. Driver review of the fleet management plan, including all required company vehicle safety rules. This should be accompanied by a driver acknowledgment or certification that they understand and will comply with the policy.
6. Development of documented procedures for disciplinary action, including removal of driving privileges when drivers do not have acceptable motor vehicle records or when drivers are not complying with the company fleet management program.

7. Establishment of reporting requirements for driving-related events, including traffic violations, accidents, and revocation or suspension of a driver's license. These requirements should include how to report, whom to report to, and the timeline required for reporting. Employees should also be required to notify the company when they are unfit to drive for certain health reasons, including medications or illness. If an employee is deemed unfit to drive, the company should either restrict that employee from driving on company business or take appropriate action to address any safety concerns.

What constitutes an acceptable driving record should be determined by each organization with input from legal counsel. Berkley Life Sciences Risk Management Resources has fleet safety resources available to you and can provide guidance on the development of your fleet management plan.

Products and services are provided by one or more insurance company subsidiaries of W. R. Berkley Corporation. Not all products and services are available in every jurisdiction. Certain coverages may be provided through surplus lines insurance company subsidiaries of W. R. Berkley Corporation through licensed surplus lines brokers. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds. Berkley Life Sciences conducts business in California as Berkley LS Insurance Solutions, LLC, a licensed surplus lines broker (License Number 0H44165).

This material is provided to you for general informational purposes only. Coverage afforded under any insurance policy issued is subject to the individual terms and conditions of that policy as issued. Claims scenarios are hypothetical in nature and for illustrative purposes.

Maintaining safe operations and a safe facility in accordance with all laws is your responsibility. We make no representation or warranty, express or implied, that our activities or advice will place you in compliance with the law; that your premises or operations are safe; or that the information provided is complete, free from errors or timely. We are not liable for any direct, indirect, special, incidental or consequential damages resulting from the use or misuse of this information. You are not entitled to rely upon this information or any loss control activities provided by us and you may not delegate any of your legal responsibilities to us. All loss control activities are conducted solely for the purpose of, and in accordance with, our underwriting activities.