

Corporate Exposure: Who's Driving? Checking Motor Vehicle Records (Part 1)

Harry P. Mirijanian



Knowing who is driving your company vehicles has never been more important to your company's future than now. Many organizations have suffered the effects of astronomically high judgments against them simply because they failed to review an employee's driving record before allowing him or her to operate a company vehicle.

All states provide some sort of Motor Vehicle Record check—and companies should take advantage of them to review the driving records (and, in fact, the current license status) of anyone who drives on company business.

Let's review some of the questions and answers recently posed during a risk control management seminar we conducted for a large fleet operation.

1. How do I get a copy of the employee's Motor Vehicle Record?

The process for obtaining an MVR varies by state. Some states have online capability, while others require written notice and full payment before processing your request. Insurance companies, and insurance agents in particular, will typically provide these driver abstracts to their clients. If your broker or carrier does not have this capability, contact the Motor Vehicle Department in the state where your business is located for assistance.

2. How much does it cost?

The cost varies. Some states offer dis-

counts based on the volume and frequency of abstracts requested. This is one reason why such services can be provided economically by carriers and agents. If the service is not provided for you, bear in mind that the usual price for a report ranges from \$4 to \$7. We consider this a small investment, especially when you consider the possible consequences. We recently took note of one facility that sustained a multimillion dollar judgment because it failed to find out that an individual hired to operate a vehicle did not have a valid driver's license. The courts concurred with the plaintiff's argument that the company

Any employee who drives for the company can have an accident. How liable is the company?

should have investigated the employee's background beforehand.

3. How often should the employee's MVR be revisited?

Different types of driver's licenses require different reviews. For example, anyone with a Commercial Driver's License (CDL) must have his or her license reviewed on an annual basis at a minimum. Although there is no similar standard or requirement for the general driving public, we advocate to our clients that they review at least annually all licenses of employees who drive for the company.

4. How long does it take to receive an MVR abstract?

In some states the report can be received

instantaneously by companies with online capabilities. Some states will send the profile by FAX if they receive a phone or FAX request. In some states, however, it can take as long as ten days to receive the report. For most organizations, however, preventing an individual employee from driving for ten days is hardly a major setback.

5. Which employees should have their MVRs reviewed?

This is a difficult questions, although some of the answers are obvious. All outside sales reps, and anyone who must operate a vehicle on your behalf should have licenses reviewed on an annual basis. Many organizations, in an attempt to cut costs, have asked employees to drive their own vehicles on company business; these drivers' licenses should also be reviewed. Remember also that there are individuals within many organizations who may use a vehicle for business but who may not be thought of as vehicle operators per se. For example, we are aware of a maintenance employee who did not have a valid license but who operated the company's snow plow equipment on its lot. The employee took the plow off the lot to refuel it, and an accident occurred. The employer was held liable for the resulting damages.

Next month, we will discuss how to read the actual report, how to evaluate its contents, and what steps to take to make sure that all your drivers meet the licensing requirements necessary to prevent you from being held liable for damages. ■

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