



Federated Insurance's Claim of the Month — Could it happen to you?

A dealership mechanic took a customer's vehicle home after work to confirm that the vehicle was in good working order, and that repairs were completed properly. That evening, he drove the vehicle to a friend's house for a barbeque. At one point, the mechanic allowed two guests attending the barbecue to drive the vehicle. One of the guests, who was driving the customer's vehicle, was speeding when he crossed the centerline and lost control, hitting an oncoming vehicle, which overturned. The accident resulted in several injuries, one death, and both vehicles were totaled.

CLAIM AMOUNT: \$1,100,000.00

Do you have policies in place that prohibit the use of company or customer-owned vehicles after work hours? A dealership may be held liable for employee or non-employee actions, even if they do not appear to be in the scope of dealership operations. Here are some tips to help reduce the risk of your business being held liable for employee actions after working hours:

- Minimize or eliminate the use of company or customer vehicles after business hours.
- Create and implement a written driving policy, and communicate it to all employees.
- Provide introductory and ongoing training for employees, stressing the risks of driving a company or customer vehicle after business hours, and allowing anyone other than employees to drive the vehicle.
- Eliminate overnight test drives of company or customer vehicles.
- Ensure that dealership employees understand what is and what is not acceptable when driving or loaning a company or customer vehicle.

Non-business use of company or customer vehicles is a risk to your dealership. Take the time to explain your business standards and expectations to employees to help avoid these costly mistakes. Consider implementing proper risk management protocols, focusing on training, and creating a thorough driving policy that is available to employees at all times.

Federated Mutual Insurance Company is recommended by 19 state and national auto dealer associations for customized insurance programs and value-added risk management services, such as mySHIELD®, the Risk Management Resource Center, and the Federated Employment Practices Network®. Visit federatedinsurance.com or [contact your local marketing representative](#) for resources you can use to create or enhance your own risk management program.

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