



Motor Vehicle Reports

*So an Employee Speeds and/or Drinks and Drives On Their Own Time,
Why Should You Care as an Employer?*

Automobile liability poses a significant potential loss exposure to all business entities. Not just from a claims standpoint, but that a circumstance could arise that could exhaust all insurance limits and further put the assets of the company at risk. Because all drivers carry with them the name and therefore the identity of the company, it is very important that you, the employer, to the best of your knowledge and ability, understand the reasonable background of those employees you entrust with your vehicles. Honestly, think of the logos painted on the side of your vehicles as \$\$\$ if they are involved in an at-fault accident...especially if you've hired a poor driver with a history of poor driving habits. It is important that you establish a policy and then a procedure for evaluating your drivers to make sure that you hire good drivers to represent your company on the road.

Can you tell just by looking at someone that they are a good driver? Of course not! The motor vehicle report (MVR) is a standardized report (by state) that accounts for the driving records of the individual—moving violations, accidents, DUI, etc. are all documented. A MVR will verify that your present or prospective driver has a current, valid operator's license and a "satisfactory" driving record. Violations listed on a MVR vary in significance and are identified differently by varying states. They reflect a person's driving habits and, to a degree, indicate future driving habits/practices. Great American has specific guidelines (attached) as to what are acceptable drivers from an insurance perspective. Certainly, your Company can have more strict guidelines, if you choose. As infractions can happen at any time and most employees do not report them when they occur, records should be run on an annual basis (usually at renew time) and reflect a 5-year basis to demonstrate due diligence purposes on the part of the company.

Your company automobile usage policies should define the policies and procedures as they apply to all current and prospective employees who have access to or operate company owned vehicles or who use hired non-owned vehicles for company purposes. It should be spelled out very clearly in your employment policy manual. The policy should contain: requirements for a clean or valid drivers license and usage parameters should be clearly stated; steps for due process should be outlined; and avenues for discipline, correction, and resolution listed. As always, we suggest that you seek the advice of counsel in your specific states before considering policies to be sure they reflect specific state and federal law, don't violate any union agreements, and that they bring about the desired effect to security and the safety of the company and the employees.

The Fair Credit Reporting Act (FCRA) does not prohibit an employer from using an MVR for a person who drives for company purposes to determine insurance eligibility. It does, however, require that the employee sign-off giving permission for the report to be obtained if it is for employment purposes (sample enclosed). The reason Telcom runs MVRs is for insurability purposes under the commercial auto policy, and a sign-off of permission from the employee isn't required for insurability purposes. However, as a matter of practice, it isn't a bad idea to have the employee sign-off giving permission to run the MVR so that everyone is on the same page that you are running their driving records. To adhere to personal identity protection, as a matter of general practice at the renewal/policy inception, Telcom will give notice to a policyholder if an employee does not meet the auto eligibility guidelines established by the carrier. As there could be mistakes in the reporting system, we would then ask the company to have the employee get their driving record and bring it to the company for your records to compare to the eligibility guidelines. The Act also gives the employee a chance to correct any mistakes prior to any negative feedback as a result of obtaining a MVR—usually within 30 days. The link to find the FCRA is www.ftc.gov/os/statutes/fcra.htm which has all of the terms and conditions.

As most states have rules and regulations governing privacy issues related to personal information of both customers and employees, Telcom is very sensitive to the potential exposure from MVRs. From a risk management standpoint, Telcom is not a credit reporting agency and can not provide MVRs as part of the conditions of employment. If you would like our risk management department to run annual MVRs or potential hire MVRs, we will require the MVR sign-off from the individuals. We can then provide a copy of the MVR to the telecommunications company because they have given us permission to do so. The

sign-off says “I hereby release _____(HR/Insurance Contact/Office) and the Company’s insurance representatives, both individually and collectively, from any and all liability for damages of whatever kind, which may at any time result to me, my heirs, family, or associates as a result of appropriate compliance with this authorization. I further understand that information obtained as a result of this investigation may or may not adversely affect my employment duties and or job description while employed by _____(Company Name) or its subsidiaries or affiliates.” From an HR perspective, this is probably similar to a background investigation sign-off that you have prospective employees sign already. However, the telecommunications company will take all of the responsibilities for what it does with that MVR—including retention and dissemination of it and must abide by all of the relevant privacy laws in your particular state and you will hold Telcom harmless in the event that a claim or allegation is waged against you for any matter related to the MVR use or application.

A CDL (commercial driver’s license) has more strict regulations as determined by the Department of Transportation federally and locally by your state regulations. For example: drug and alcohol testing and physicals are required for CDL drivers.

As a management tool, MVRs can provide a good source of direction for safety meeting topics. For example, you may notice that some of your employees have speeding tickets. This could be a springboard for the next safety meeting to introduce some measures to help prevent these types of violations.

Remember, we’re all human and the average driver is involved in one accident every 12 years, that frequency is of more concern than severity, and that recent history is probably the most important. When used properly, MVRs can be a useful tool to improve the safety of your fleet operations.

GAIC Auto Eligibility Guidelines

1. Any account written with UM/UIM limits less than the liability limit unless there is a signed rejection form in the file. All accounts must be written non-stacking unless state law prohibits.
2. Any account with youthful or elderly operators (less than age 22 or over age 75). All drivers must have at least 2 years experience driving the types of vehicles scheduled with like cargo.
3. MVRs must be obtained on all regular drivers (those who drive for company purposes at least 1 time per month) for a 5 year period of discovery.
 - a. No more than 3 moving violations and/or at fault accidents within the most recent 3 years.
 - b. No more than 2 moving violations and/or at fault accidents within the most recent year.
 - c. No moving violations or at fault accidents of a serious nature in the last 5 years. These include, but are not limited to:
 - i. DWI/DUI/OUI
 - ii. Refusing a substance test
 - iii. Fleeing/Eluding a police officer
 - iv. Commission of a felony through the use of a motor vehicle
 - v. Driving while under a suspended license
 - vi. Homicide/manslaughter/assault through the use of a motor vehicle
 - vii. Leaving the scene of an accident
 - viii. Careless or reckless driving
 - ix. Drag racing

Bureau of Motor Vehicles Information Release Form

First, Middle, Last Name:			
Home Address:			
Drivers License State/ Number:			
DL Expiration Date:			
Gender:	Male		Female
List accidents/moving violations that you've received in the past 36 months:			

I, _____, the undersigned, hereby authorize _____ (Telecommunications Company's Name), to conduct a background investigation of my past, present, and future activities that have or will constitute violations of the law that only pertain to the operation of a motor vehicle. I further authorize all persons or agencies who may have information relevant to this investigation to disclose it to _____ (HR/Insurance Contact/Officer). I hereby release _____ (HR/Insurance Contact/Office) and the Company's insurance representatives, both individually and collectively, from any and all liability for damages of whatever kind, which may at any time result to me, my heirs, family, or associates as a result of appropriate compliance with this authorization. I further understand that information obtained as a result of this investigation may or may not adversely affect my employment duties and or job description while employed by _____ (Company Name) or its subsidiaries or affiliates.

_____ (Telecommunications Company) do understand that the information acquired in the course of this investigation may be confidential in nature, and agree to retain all such information as required by FACTA (which is not already public knowledge) as confidential and privileged, only using such information for company auto insurance eligibility purposes.

I also acknowledge that any copy of this authorization form bearing my correct signature has the same force and effect as the original. I certify that I've read and understand the foregoing paragraphs and that all of the information is correct and complete to the best of my knowledge.

Employee Signature

Date