

A checklist for preventing losses involving non-owned autos

The term “non-owned auto” refers to any vehicle used for business purposes, but not owned by your human services organization. Such vehicles may be leased, rented, hired or borrowed; they may also belong to your employees.

Many managers don’t think twice when employees use their own vehicles to perform tasks on behalf of the organization – or about the related liability implications in the event of an accident. For instance, you could be liable for damages in excess of the vehicle’s auto policy limits. You could also be responsible for the full claim amount plus punitive damages if your employee is shown to be incompetent, reckless or uninsured.

If non-owned vehicles are used on behalf of your organization for the pickup or delivery of people, supplies or food, work with your agent and Nationwide® Loss Control Services to develop and implement a risk management program that incorporates the practices highlighted below.

Check *all* the boxes to help reduce your organization’s exposure to non-owned auto liability.

- Include hired and non-owned auto liability and umbrella liability policies among the coverages you carry, at the limits your agent recommends to adequately protect you.
- Validate that the vehicle is owned by the employee or volunteer. Ensure it is well maintained and in safe operating condition.
- Require and obtain annual proof of personal auto insurance from any employees or volunteers who drive their own vehicles on the job (minimum \$100,000 in liability coverage recommended).
- Validate drivers have the appropriate license and an acceptable driving history by obtaining a Motor Vehicle Record (MVR). MVRs should be run annually thereafter, or the employer should participate in a continuous MVR monitoring program. Disqualify drivers with repeated violations and accidents from driving while on the job.
- Implement a vehicle safety program that includes safe driving policies (e.g., no cell phone use), provides defensive driving instruction, and includes training on safe transportation of vulnerable individuals, if applicable.

See our [Non-owned Vehicle Management article](#) for more information such as MVR guidelines and sample authorization, checklist, and vehicle inspection forms. [Click here](#) for a sample fleet safety program and driver safety manual.



Obtain proof of auto insurance annually from drivers who drive their own vehicles on the job.

Providing solutions to help our members manage risk.®

For your risk management and safety needs, contact Nationwide Loss Control Services: 1-866-808-2101 or LCS@nationwide.com.