

Driving Personal Vehicles on Occasional Business Use

Driving is the most dangerous work-related activity for a large amount of people. For employees not in high-risk industries such as construction or mining, using a vehicle for work—to pick up a client or attend off-site meetings—can be the most treacherous part of the day.

And as flexible working schedules and multi-location workplaces become the norm, employers are increasingly relying on employees using their own cars for business-related transport—a practice known as occasional business use (OBU). But relying on employees to drive themselves under an OBU policy, without first ensuring they are safe and properly insured, could expose business owners to untold liability. As a business owner or manager, you could even be held responsible for injuries or damage sustained or caused by your employees driving for work.

Protect your business and ensure your employees are safe and properly insured by following these tips.

What Is Occasional Business Use?

OBU is the practice of employees using their personal vehicles for work purposes during business hours. OBU is one type of ‘class of use’, the term insurers use to describe how you plan to use your car.

Although the wording may slightly differ, the three main classes of use are:

1. **Social, domestic and pleasure (SD&P)** – SD&P covers driving your car for social, domestic and pleasure use, which includes shopping, picking up children from school and visiting friends. However,

this does not cover commuting to your workplace or any other driving connected with work.

2. **Social, domestic, pleasure and commuting (SDP&C)** – SDP&C covers drivers for all SD&P activities in addition to commuting to and from their normal place of work.

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3. **Social, domestic and pleasure including business use (SDP&BU)** – SDP&BU covers drivers for all SD&P activities and work-related vehicle uses, excluding delivery work. There may be different classes of business use available.

If your employees drive for work purposes (outside of commuting to and from work) and their personal motor insurance does not cover OBU, then they are under-insured and consequently exposing you to liability.

Your employees can easily obtain an OBU extension on their private motor insurance policy. Although the extension is more expensive, the costs pale in comparison to the expenses associated with a serious motor accident for which your business could be liable. Some businesses offset the cost of this extension by

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offering driving reimbursement, a viable solution for assuring the compliance of your employee drivers.

Employer Risks

Under health and safety law, employers owe the same duty of care to staff who drive their own vehicles for work as they do to employees who drive company-owned, leased or hired vehicles.

Abdicating this duty invites significant risk. Failing to ensure employees are driving safe, adequately insured vehicles could indirectly contribute to a serious traffic violation. When employees drive for work, they risk causing an accident which could sully your business' reputation, elicit an investigation by the Health and Safety Executive (HSE) and generate a corporate manslaughter charge which can hold your business partly responsible for any fatalities.

To lessen your liability as an employer, you must implement controls to verify that employees are driving safe, properly insured vehicles. This could entail using checklists to confirm that employees are driving safely, have the appropriate insurance and their vehicles are road-ready.

In addition to confirming employees' good driving habits and insurance, you must prove that their vehicle is in a safe, road-ready condition. If you allow employees to conduct company business in shoddy and dangerous personal vehicles, you may be held liable for any accidents caused by those vehicles.

Instead, impose periodic safety checks on employee vehicles used for work, and document checks to guarantee that employees are compliant with the law.

Helpful Hints

To keep your employees and their vehicles safe and to absolve you of any secondary liability, conduct regular checks of the following compulsory documents:

- MOT certificate
- Servicing schedule adhering to the manufacturer's recommendations
- Insurance cover for business use
- Vehicle registration

- Vehicle excise duty
- Proper licences

To complement your document checks, provide vehicle checklists and encourage your employees to conduct them weekly. Require them to check the following:

- Tyre quality and pressure
- Oil, coolant and windscreen wash levels
- Brakes
- Lights and indicators
- Windscreen and windows
- Washers and wipers
- Mirrors' positions
- Overall vehicle damage

Make sure your employees' vehicles are fit for their purpose. If vehicles need to carry heavy loads, make sure employees are using vehicles suitable for the job, with enough seats and seat belts for every passenger.

If employees are involved in any work-related crashes, require them to record the circumstances of the crash. This helps you to regularly assess driving safety.

Compile all your driving safety information into a 'minimum conditions of use' policy which specifies the type of documentation required for drivers and the level of checks required for vehicles before employees can drive for work. Habitual inspections and constant attention to safety make the perfect two-pronged attack for tackling dangerous driving practices in the workplace.

Put the Brakes on Unsafe Driving

Safeguarding your employees' safety goes hand in hand with safeguarding the success of your company— lax safety regulations inevitably result in accidents, which result in fines, which can generate jail time. Stop this cycle before it begins by trusting the insurance professionals at **Crendon Insurance Brokers Ltd** to supply you with the latest insurance and risks management tips.