

| a Berkley Company

Motor Vehicle Record (MVR) Guidance

Employers have a legal obligation to make sure that employees operating vehicles for company business are appropriately qualified and entrusted to safely and responsibly drive on behalf of the company. This duty extends beyond drivers of company owned or leased vehicles to any employee who may drive for company business, regardless of vehicle ownership.

What are Motor Vehicle Records (MVRs)?

A Motor Vehicle Record (MVR) is a report of driving history for a specific driver, as reported by the state Department of Motor Vehicles. Information contained in an MVR may include driver's license information, point history, violations, convictions, and license status. Most states report driving records for the past three years, although some states may report five or more years of history.

Why are MVRs important?

Motor Vehicle Records provide a means of verifying that a driver has a current license and provides his/her history of operating violations and accidents.

Allowing an employee with a poor driving history to operate a motor vehicle (regardless of whether it is owned, hired or non-owned) for company business can have devastating consequences. The financial impact of "negligent entrustment" is in itself significant, however damage to company reputation, customer relationships and human impact can be more costly and difficult to quantify. An employer may be found liable under the theory of negligent entrustment as a result of an accident caused by an employee driving a vehicle (regardless of ownership) with either the employer's direct or implied permission.

Where do they come from and how do I get them?

MVRs are available from the state where the driver holds a license – typically through the Department of Motor Vehicles. A person's driver's license should be from the state in which the driver resides. Any exceptions to this should be carefully evaluated. Each state has their own process for obtaining MVRs. For state issued MVRs, contact the state directly for details.

> MVRs may also be obtained through the following third-party services for a fee: <u>IntelliCorp</u>, <u>LexisNexis</u>, <u>LENS</u> (NY only), or <u>SambaSafety</u>

How do I review MVRs?

Unfortunately, there is no magic formula for analyzing MVRs that addresses the needs of all organizations. Any organization that operates motor vehicles would prefer to see a "clean" record (i.e., accident and violation free). However, organizations operating motor vehicles need to devise their own criteria to determine what an acceptable MVR is, what indicators should trigger disciplinary or driver training action, and what criteria should disqualify the driver from operating motor vehicles for the organization.

MVRs should be used not only for driver qualification, but also as an indicator that driver training would be beneficial. Training after a conviction helps a driver recognize the importance a company places on safe driving and helps reduce the likelihood of future, similar involvement. MVRs should be obtained during the hiring and screening process of a new employee, and annually throughout their employment. A signed authorization by the employee granting the organization permission to regularly obtain MVRs should be kept on file. Employees should have at least three years of driving experience to be allowed to operate vehicles for company business.

An EXAMPLE of MVR review qualification criteria:

An employee is prohibited to operate a vehicle for the organization if any of the following convictions or MVR violations has occurred in the past three years:

- Suspension, revocation, or administrative restriction of driver's license
- Driving under the influence of drugs or alcohol
- Refusal to submit a blood alcohol content (BAC) test
- Speeding in excess of 15 mph
- Aggressive, reckless, or careless driving
- Any combination of three or more moving violations, at fault accidents, or preventable accidents
- Leaving the scene of an accident
- Failure to report an accident
- At fault in a fatal accident
- Attempting to elude a law officer

For more information regarding MVRs or driver qualification criteria, please contact Acadia's Virtual Loss Control Team at 207-874-5701 or <u>virtuallc@acadia-ins.com</u>.

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