



# University of Toronto

BUSINESS AFFAIRS DIVISION - Risk Management and Insurance Department

## Guidelines for Renting or Leasing Vehicles and Driver Safety Tips

The intent of these guidelines is to outline the procedures and considerations involved when renting or leasing a vehicle from a commercial rental agency for University use and in the University's name. For insurance purposes, a 'rental' is deemed to be anything less than 30 consecutive days while a 'lease' is anything longer than a month. You need to be aware about the insurance that is available through the Risk Management and Insurance Department (RM&I) as well as what coverage is provided by the rental company. Please pay specific attention to the driver safety recommendations and what to do in the event of an accident and make sure you are familiar with this information **before** renting a vehicle.

### Third Party Liability (Public or Commercial Liability)

#### Vehicles Rented/Leased for periods in excess of 30 days

The University's Vehicle Insurance policy can provide coverage if the vehicle is rented for more than 30 consecutive days. The rental agreement must be in the name of The Governing Council of the University of Toronto and all designated drivers must be named in the agreement.

To arrange insurance coverage for vehicles rented for periods in excess of 30 days, please

- \* Inform RM&I in advance before renting any vehicles. We need a list of vehicles, rental period, a copy of the rental agreement (it includes the serial number, license plate number, and make and model for each rented vehicle). A pink liability slip will be provided to you by RM&I.
- \* Provide a list of all drivers including title/relationship with the University, faculty/department, driver's license number (with expiration date) and date of birth.
- \* Name (phone, fax, e-mail) of principal investigator and/or faculty supervisor.
- \* FIS information - G/L account number, Cost Centre, Fund and/or CF Centre. A premium will be charged back to the requesting faculty or department
- \* Inform RM&I the date when the vehicle is returned to the rental company.

#### Vehicles Rented/Leased for periods of less than 30 days

For short term rentals (less than 30 consecutive days) statutory third party liability coverage is provided by the rental agency as part of their rental cost. We suggest that you ask the rental agency the Limit of Liability that they carry. It should be at least \$1 million per occurrence.

## Theft and Physical Damage Coverage (Collision & Comprehensive)

### Vehicles Rented/Leased for more than 30 consecutive days

Coverage for longer term rentals (periods in excess of 30 days) as well as for leased vehicles can be provided through the University's Vehicle Insurance policy. As itemized above, please notify RM&I in advance with the required rental vehicle information in order to arrange physical damage coverage.

### Vehicles Rented for less than 30 days (Short Term Rentals)

There are two options for obtaining physical loss or damage coverage for short term rentals:

- 1 The University sponsored **AMEX** corporate card provides the cardholder with **Car Rental Theft and Damage Insurance** at no charge. AMEX has a toll free number that you can call if you have questions about the coverage they provide. Please call American Express Customer Service in Canada and USA at (905) 475-4822. If outside Canada and USA, call 1-800-243-0198.

Note that the rental contract must be in the cardholder's name (not the University's name) for this AMEX insurance to apply. The cardholder must be the primary driver, at least 55% of the time. Insurance is extended to all secondary drivers who are listed on the rental agreement. If a driver is not listed on the rental agreement, AMEX will not provide coverage for loss caused by that driver.

2. Car Rental Theft and Damage Insurance can be purchased from the rental agency at an extra cost of approximately **\$15-25 PER DAY**. Rental agencies refer to this coverage as **Collision Damage Waiver (CDW)** or **Loss Damage Waiver (LDW)**. Deductibles can vary from zero to \$5,000 or more so be sure you know what the deductible amount is that you are assuming.

## Premiums

All premiums for coverage through RM&I are calculated on a per vehicle, pro-rata basis and charged back to the sponsoring University department.

## Claim Procedures

**All off-campus accidents should be reported immediately to the local police department, or, if an accident occurs on campus, contact Campus Police Services at (416) 978-2323.**

All claims must be reported to RM&I as soon as possible so that facts can be determined quickly and accurately. The RM&I can assist in case of an accident if notified as soon as practicable.

- \* Call 911 immediately if there are any personal injuries.
- \* If the accident is serious, notify the police and note the name of the investigating officer.
- \* Make no statement that would assume any liability or obligation for the accident.
- \* Provide any other involved party with required insurance information and your name, address and telephone number. Note that requirements vary by province and state. Ask the investigating police officer for details.
- \* As soon as practical, report losses to RM&I. Further details on how to report a vehicle claim are posted on our web-site: <http://www.insurance-risk-mgmt.utoronto.ca/Claims.htm>
- \* Provide RM&I with the Driver's Report of Accident and in due course when available, the estimate/quote for repairs. You can print out the Driver's Report of Accident form at: <http://www.insurance-risk-mgmt.utoronto.ca/Forms.htm>
- \* To process an insurance claim, forward a copy of the repair invoice and other related claim costs to RM&I and indicate which FIS account should be credited or, in special circumstances, who should receive the reimbursement cheque.
- \* The claim documentation will be forwarded to the University's insurer for reimbursement. The amount will be reduced by the \$1,000 policy deductible and 2/3 GST rebate. **Note that claims of less than \$1,000 are the department's sole responsibility.**

## **Driver, Passenger and Vehicle Safety – guidelines to ensure safe vehicle operation**

The following are provided by the University's insurance advisors and are based on industry best practices and proven loss prevention strategies. Each Department should maintain an approved list of all employees and student drivers who are allowed to operate a University owned, leased or rented vehicle on University business using these guidelines. It should be understood that University driving privileges may be suspended or revoked because of at fault accident or violation, falsification of records or any repeated failure to comply with these guidelines.

### **Recommended Driver Selection**

This is the first critical step towards ensuring that the risk of a motor vehicle accident is minimized. It has been said that 95% of all vehicle accidents are caused by human error.

- \* International driving permits are discouraged due to their variable application standards. Exceptions can be made when the international driving standard is known to be on par with Ontario standards.
- \* Drivers must have a valid driver's license for the operation of the class of assigned vehicle.
- \* Drivers 19 years of age or older are allowed to drive vehicles. We recommend a minimum 22 years of age for high occupancy passenger vehicles or situations involving higher risk where more experience and mature judgment is indicated.
- \* We suggest obtaining driver abstracts at least annually for students and casual drivers and to make the reporting of all driver violations a condition of vehicle use.

### **Suggested Maintenance of Driver Records and Training**

- \* We suggest that all departments maintain complete driver record files.
- \* Identify positions that require the use of a vehicle, with the type of vehicles driven including frequency, duration and geographic area of operation.
- \* A file should be created for all drivers with the following: application form, photocopy of driver licence that confirms that the driver is licensed to operate the assigned vehicle, reference check, abstract (Motor Vehicle Records), road test (where applicable), declaration of violations; accident history, training record, disciplinary history.
- \* The University wants to make sure that employees/students are adequately prepared to carry out their job responsibilities safely when required to operate a vehicle. This may include pre-employment orientation and training in areas such as defensive driving skills and, for new hires, we would also suggest mandatory testing. In order to maintain required skill levels, drivers may also need periodic updates and re-testing.

### **Vehicle Selection**

We suggest that you carefully consider your needs when leasing a vehicle. This will depend on many factors including – type of a vehicle depending of volumes, amounts transported; with good safety record, easy maintenance.

We recommend that current year models not be used for field work when off road or driving on unpaved or gravel surface roads is required.

## Vehicle Operation Guidelines

- \* Drivers must at all times comply with all laws, regulations and posted signs or directions regarding speed and traffic control.
- \* Driver should take a 30 minute rest break at least every four hours.
- \* Drivers should drive no more than ten hours in any 24 hour period.
- \* Trips requiring more than 10 hours driving time to destination should include overnight lodging.
- \* Driving through the night is not recommended, nor is driving past midnight. Front passengers should remain awake to help keep the driver alert during all times if practical. A navigator should be assigned for trips to unfamiliar destinations and routes if practical.
- \* Unauthorized persons are not permitted to drive the vehicle.
- \* Unauthorized passengers are not permitted in the vehicle.
- \* The number of passengers may not exceed the number of seat belts. All occupants of the vehicle are required to wear seatbelts at all times during vehicle operation.
- \* Drinking and possession of alcohol or illegal drugs in vehicles or driving while under the influence of alcohol or drugs is strictly prohibited and voids the vehicle's insurance coverage.
- \* Be careful of conditions that may lead to loss of control such as driving while sleepy or inattentive, or driving too fast for road conditions.
- \* If the weather is inclement, stop and stay overnight in a safe place. The additional lodging cost is worth avoiding the risk.
- \* Do not use a cell phone or any other electronic device while driving. Stop the vehicle in a safe area to use a cell phone or other electronic device or have a passenger operate it.
- \* Drivers should inspect the vehicle for safety and maintain them properly, particularly the tires. Worn or under inflated tires can increase the risk of rollover.
- \* Drivers are solely responsible for any fines resulting from traffic or parking violations during use of the vehicle on University business.
- \* Vehicles are to be used only for University business. Any liability arising out of personal use of a University owned or rented vehicle is the sole responsibility of the driver.

## Fatigue and Limits on Driving Time and Distance

Driver fatigue is a leading cause of traffic accidents. Fatigue affects driver perception, information processing, and reaction times. In the extreme, it causes a driver to fall asleep. Fatigue can arise from factors including night driving, extended wakefulness, inadequate sleep, and sleep disorders.

Help drivers understand the warning signs of fatigue. These include:

- \* Forgetfulness,
- \* Impaired decision making and communication,
- \* Slower reaction times,
- \* Staring ahead instead of scanning surrounding conditions,
- \* Drooping eyelids,
- \* Close calls, such as drifting into another lane or not maintaining a safe following distance.

We hope this document is helpful and if you have any questions or comments, please contact Tanya V. Patina, Insurance & Claims Administrator, (416) 978-7484 <tanya.patina@utoronto.ca>