



michigan municipal league

# Liability & Property Pool Workers' Compensation Fund

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## RISK CONTROL SOLUTIONS

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A Service of the Michigan Municipal League Liability and Property Pool and  
the Michigan Municipal League Workers' Compensation Fund

### FLEET MANAGEMENT FOR PUBLIC ENTITIES

#### The Issues

*Operating motor vehicles is essential to the delivery of most municipal services and creates a considerable exposure for your organization as well as for the Michigan Municipal Liability and Property Pool and the Worker's Compensation Fund.*

*The Pool and the Fund believe that you should take appropriate actions, based on your exposures, to reduce the frequency and severity of motor vehicle losses. Taking these actions may not only reduce your liability; property and worker's compensation costs, but will also benefit the Pool and Fund as a whole.*

*The Pool's renewal application asks you to answer several underwriting questions regarding your motor vehicle risk management practices. The Pool uses this information to help underwrite your account. Based on members' responses to these questions, the Pool has determined that many members have not yet begun to review their employees' motor vehicle records (MVRs). Therefore, the Pool may find it necessary to conduct spot checks and make specific recommendations to its members. You can help yourself and the Pool by implementing the important management practices discussed below. We appreciate your cooperation.*

#### Addressing the Issues -- Key Management Practices

- **Develop and implement a written procedure for examining employees' motor vehicle records (MVR).** Examining MVRs should be a consistent and ongoing practice that you follow for all individuals who drive your vehicles. You should also follow this procedure before you offer a candidate a job. You can obtain motor vehicle records from the Michigan Secretary of State at no cost. You can even subscribe to a new service that the Michigan Secretary of State offers. The service notifies you when any of your employees' driving records show activity. However you obtain information about employees' motor vehicle records, you should be ready to act when you find a driver whose record does not meet your established acceptability standards.
- **Take appropriate action.** This may include training, the assignment of the employee to a non-driving position, or other employment actions. As with all employment decisions, review the step you have decided to take with your attorney before acting.
- **Provide regular training** to make sure that all employees have the skills and knowledge necessary to operate motor vehicles safely and responsibly. Conduct training for all new employees as well as annual refresher training for your regular employees. The Pool and Fund can supply you with a number of resources to assist you in your training efforts.

- **Establish and maintain a fleet inspection and maintenance program.** Having such a program increases safety for your employees, reduces your liability to the public, and extends the life of your fleet. The Pool and Fund can also assist you with some guidelines on developing or updating your program.

For more detailed information on motor vehicle related topics, please request the following Risk Control Solutions from the Pool and Fund Loss Control Services at 800/482-0626:

- ✓ **Reducing the Risk of Motor Vehicle Operations -- A Management Brief**
- ✓ **Reducing the Risk of Motor Vehicle Operations -- Developing a Motor Vehicle Policy**
- ✓ **Reducing the Risk of Motor Vehicle Operations -- Hiring and Training to Reduce Losses**
- ✓ **Reducing the Risk of Motor Vehicle Operations -- Motor Vehicle Inspection & Maintenance**

If you have any questions or if we can help you with other areas of risk management, please contact us.

	<b>IMPORTANT TELEPHONE NUMBERS</b>	
MML Risk Management Services	734/662-3246	800/653-2483
Loss Control Services	800/482-2726	
<b>Michigan Secretary of State</b>	<b>517/322-5264</b>	

**Note:**

This document is not intended to be legal advice. It does not identify all the issues surrounding the particular topic. Public agencies are encouraged to review their procedures with an expert or an attorney who is knowledgeable about the topic.



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### Vehicle Fleet Safety

*Model Administrative Policy for Vehicle Fleet Safety.*

#### I. INTRODUCTION

Many municipal operations require the operation of vehicles. How drivers handle vehicles and the municipality maintains them can directly affect worker safety.

Each year motor vehicle-related injury claims continue to increase. Insurance pays most direct costs of these accidents; however, the municipality pays indirect costs. These indirect costs may include increased premiums, loss of vehicle use, vehicle replacement costs, loss of employee productivity, deductible payments, increased paperwork, etc.

#### II. PURPOSE

The purpose of a fleet safety policy and procedure is to assure that each employee who operates a vehicle on municipal business maintains acceptable standards of proficiency and safety.

#### III. POLICY AND PRACTICES

- A. [Name of Municipality] desires to eliminate any conditions that adversely affect the well being of employees and threaten financial stability through accidental losses.
- B. Employees shall operate all vehicles that they use for municipal business safely and economically. To accomplish this, employees must comply with the following practices:
  1. All drivers will have a valid state driver's license for the vehicles they operate.
  2. Employees will comply with all applicable motor vehicle laws. The vehicle operator is responsible for any traffic citations.
  3. [Name of Municipality] prohibits unauthorized passengers or drivers to either operate or ride in the vehicle.
  4. Employees will always wear seat belts, whether operating or riding as a passenger in the vehicle.
  5. Employees will report and participate in the investigations of all vehicle collisions or property damage accidents according to policy.
  6. Employees will use municipal vehicles for official use only.
  7. Employees may not take home municipal vehicles overnight except as follows:

- a) Employees may take home a municipal vehicle for one night when job duties take place late at night after normal working hours or early in the morning before normal working hours with consent of department head or designee.
  - b) Employees may take a vehicle home when their supervisors have assigned them to be "on 24-hour call" for department emergencies.
  - c) Employees may take home a vehicle for more than one night only if the department head specifically authorizes it in writing.
- C. Municipal vehicles shall always be available for municipal business.
  - D. Employees may use municipal vehicles for travel to lunch if they are on business or in a location where driving to obtain their personal vehicles would result in an extra and unnecessary expenditure of time and money.
  - E. Employees will operate vehicles only when they are in safe operating condition. Each employee driving a vehicle on business shall inspect the vehicle to assure that the vehicle is in sound operating condition.
  - F. Each driver's privilege to operate a vehicle on official business extends only as long as the driver operates the vehicle in a safe and efficient manner. A record of "preventable" accidents shall result in appropriate disciplinary action.
  - G. Employees performing work that requires the operation of a municipal vehicle must notify their immediate supervisors if their license is expired, is suspended, or is revoked. Failure to report shall be cause for disciplinary action.
  - H. The [Job Title] shall be responsible for coordinating municipal Fleet Safety and Loss Control programs in cooperation with the Risk Manager (Safety Director) and Personnel Office.
  - I. Supervisors and managers will select employees who will be required to drive full or part-time with care. No employee shall drive a municipal vehicle unless the employee's supervisor has certified him or her to do so.
  - J. The Personnel Office shall maintain a Vehicle Operator Record on each employee.
  - K. Employees shall report all vehicle accidents and the municipality shall investigate the accident in accordance with related policies and procedures.
  - L. Vehicles shall contain appropriate warning and safety devices.
  - M. Employees shall not use personal vehicles on official business unless there is no municipal vehicle available and they obtain specific authorization to do so from their department manager.

#### **IV. DRIVER SELECTION, TRAINING, PERFORMANCE EVALUATION & MONITORING**

##### **A. Driver Selection**

*Although driving may be incidental to the employee's primary job responsibilities, the considerations given to driver selection are often the most important factor that will affect municipal vehicle accidents. Therefore, [Name of Municipality] expects managers and supervisors to comply with the following when hiring individuals who will drive vehicles:*

1. Evaluate driver qualifications through the following:
  - a) Previous Employer's Reference. Check to verify employment and to help determine the driving qualifications and history of the applicant.
  - b) Motor Vehicle Records. Check through the Michigan Secretary of State.
  - c) Personnel File if current employee. Review to consider driver training received, record of preventable accidents, driving history, driving certifications, vehicle operator record, etc.

2. Managers and supervisors may consider drivers of municipal vehicles as qualified to drive when they meet the following criteria:
  - a) Possess a valid driver's license of the proper class and a driving record that meets all performance and other standards specified in this administrative policy.
  - b) Capable of passing a physical examination when a question of fitness to drive arises because of illness or injury.
  - c) Capable of passing written tests on driving regulations whenever required.
  - d) Capable of passing driving tests.
  - e) Have demonstrated proficiency with the particular type of vehicle or equipment they will routinely operate.
3. Managers and supervisors must examine applicants' driving records carefully and consistently as a routine part of the screening, background investigation, and hiring process. They must:
  - a) Reject applicants with poor driving records for positions that require vehicle operation. The following is a partial list of conditions or convictions that should cause immediate concern:
    - Two at fault accidents in the past three years, or
    - Two minor traffic convictions in the past three years, or
    - A combination of one at fault accident and one minor traffic conviction in the past three years, or
    - Operating under the influence of liquor or drugs, or
    - Operating with an unlawful blood alcohol content, or
    - Failure to stop or report an accident, or
    - Negligent homicide, manslaughter, assaults involving the operation of a motor vehicle, or
    - Driving on a suspended or revoked license.
  - b) Verify that applicants possess, or are eligible to obtain, any special license endorsements the law requires for the type or types of vehicle they will operate in performing their duties. Here we speak primarily of the Commercial Driver's License (CDL) requirements.
  - c) Determine the candidate's physical and mental fitness to operate motor vehicles **after extending a job offer.**
4. The Personnel Office shall maintain a Vehicle Operator Record in each employee's personnel file. Supervisors are responsible for reporting vehicle operator information to the Personnel Office.

## **B. DRIVER TRAINING**

*To evaluate and assist drivers in maintaining and acceptable level of performance, [Name of Municipality] shall periodically administer or arrange for attendance at a Defensive Driving Course.*

[Name of Municipality] shall make assignments for the course as follows:

1. Mandatory attendance for employees who have been involved in a "preventable accident."
2. Mandatory attendance for employees whose immediate supervisors determine that they have questionable driving capabilities or habits.
3. Voluntary attendance for employees who have not attended a Defensive Driving Course in the past three (3) years.

### **C. PERFORMANCE EVALUATION AND MONITORING**

Because careless or poor driving may lead to worker injuries and to decreased public confidence in [Name of Municipality], we require managers and supervisors to monitor and evaluate employees who operate vehicles. They must:

1. Check all employees' driving records at least annually.
2. Assign a specific individual to oversee the license review and screening process. This individual should also manage the entity's compliance with Commercial Driver's License, federal random drug testing and other legal requirements. The review should conform to the guidelines in your motor vehicle operations policy.
3. Take appropriate corrective action for current employees with unacceptable records. Corrective actions may range from reassignment to non-driving related positions up to discharge. Falsification of information about driving records by employees is cause for immediate termination.
4. Establish corrective actions necessary to restore employee to driving position and period for completion. Document actions taken.
5. Forward all documentation of the annual review and the actions the supervisor has taken to Human Resources.

### **V. ACCIDENT REPORTING PROCEDURES**

- A. An employee involved in an accident shall obtain appropriate medical treatment, if needed, as outlined in the municipality's health and safety policies.
- B. The employee, if physically able, shall call for a police officer as provided in the reporting policies. The employee shall also request that all parties and properties concerned remain at the scene of the accident, if possible, until a law enforcement representative has released them.
- C. Employees shall refrain from making statements regarding the accident to anyone other than the investigating police officer, municipal management, and representatives of the municipality's or an employee's personal insurance provider. Employees shall limit statements to factual observations.
- D. The Safety Director (or other designated individual) must receive a copy of all police reports and any accompanying statements within 48 hours. The Safety Director will report such accidents to the insurance carrier and the employee Health and Safety Committee chairperson.
- E. If the collision involves an injury, the employee and his or her supervisor will file appropriate reports as provided by policy.
- F. The employee shall fill out a Vehicle Accident/Incident Report within forty-eight (48) hours and submit it to his or her supervisor. The supervisor will send copies to the Safety Director for comment and then file the report with the Personnel Office for inclusion in the employee's personnel file.  

If the accident may result in someone alleging liability against the municipality, the Safety Director shall also file the report with the insurance carrier. If the accident is serious, the Safety Director should report it to the insurance carrier immediately.
- G. The employee shall report damage to the vehicle on the "Auto Accident Notice" form available from his or her supervisor.
- H. The employee shall submit to a drug test as specified by policy.

### **VI. Fleet Inspection and Maintenance**

To protect the safety of employees and increase their productivity, reduce accidents, extend the life of the fleet, and maintain good public relations [Name of Municipality] requires regular inspections and maintenance of vehicles as an important part of its Fleet Program.

**A. MANAGEMENT**

The management of [Name of Municipality] supports the inspection and maintenance program. They will assure that adequate funding is available for the program and will hold managers and supervisors accountable for assuring that the program is well-established and adequately supervised.

**B. MANAGERS AND SUPERVISORS**

Managers and supervisors are responsible for:

1. Supporting the inspection and maintenance program. They must assure that the program is adequately supervised and effective. This includes controlling the maintenance-operations schedule so that it provides safe equipment for operational needs.
2. Providing equipment, tools and adequate shop facilities necessary for the program to work.
3. Making sure that maintenance personnel receive training that upgrades their knowledge and job skills through municipal meetings, retraining sessions, special and manufacturers' schools.
4. Supervising drivers to assure that they participate and comply with fleet inspection and maintenance requirements. This may include establishing an incentive and award program to encourage employee participation and compliance.

**C. Drivers**

Drivers are responsible for the condition and safe operation of their assigned vehicles. [Name of Municipality] requires drivers to check their vehicles for possible defects and report them according to policy.

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