

Safely



SPEAKING

BY RUDY PENNER

Liability of lending your vehicle – part 2

In the first part of this article series in the December 2009 issue of *NAEDA Equipment Dealer* magazine I mentioned the importance of doing your due diligence and asking questions before lending your vehicle to someone. I also provided examples of what could happen to you as the vehicle owner. Here are additional factors to consider when lending your vehicle:

- There should only be as many people in the vehicle as there are proper seatbelts. Also know that any unsafe practices, such as over capacity in the vehicle or allowing persons to ride on the back of trucks, can result in serious bodily injury or death.
- If you lend a vehicle to a younger driver, keep in mind that they may still be within their graduated driver's license period and have restrictions on their license as to who must or can be in the vehicle, as well as other restrictions upon their driving status.
- If the vehicle is being taken out of the province, or more importantly out of the country, consider if your third party liability coverage is sufficient. This is especially important if the driver is traveling in the United States.
- If you lend your vehicle, you must consent to its use by the other driver. By giving someone the keys, you have given consent even if there was no oral communication. The person to whom you lend your car must be a licensed driver who is legally authorized

to drive in the province. Remember, if the person borrowing your vehicle has an accident while driving your vehicle, it goes on your insurance policy.

- Vehicles displaying a company logo can be great advertising. However, it can also be detrimental to a company's image if the vehicle is seen in an accident or is being used irresponsibly.

You can never predict what will happen when you lend your vehicle to someone, however by doing your due diligence and asking important questions, you can consider the consequences and make a better decision as to whether or not you should lend the vehicle.

At Federated Insurance, we believe Loss Prevention is a critical component of your Risk Management Program. For more information, contact our Loss Prevention Department at 1-800/665-1934, or visit our Web site at www.federated.ca. ■

The information provided is intended to be general in nature, and may not apply in your province. The advice of independent legal or other business advisors should be obtained in developing forms and procedures for your business. The recommendations are designed to reduce the risk of loss, but should not be construed as eliminating any risk or loss.

RUDY PENNER, CRM, is a loss prevention program coordinator for Federated Insurance.

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