

Personal vehicle use for school business - Am I insured?

District staff and volunteers who drive their own vehicles on school business sometimes ask school principals and business managers the following questions:

"Am I covered by the district's automobile insurance if I am involved in an accident in my own vehicle while on school business?"

The short answer is not usually, because an automobile's insurance coverage follows the vehicle. Currently, the district's coverage with the Southwest Washington Risk Management Insurance Cooperative provides that when employees or volunteers use their privately owned vehicles for district business, in the event of a claim, their personal auto liability insurance is primary (will pay first) and the district's auto liability coverage is excess (pays only after the vehicle owner's insurance limits are exhausted). This refers to liability coverage only. Damage to the employee's privately owned vehicle remains entirely with

the employee; there is no district property coverage (comprehensive or collision) from the Risk Cooperative for privately owned vehicles.

"Do my personal automobile insurance rates increase because I drive my own car on school business?"

Employees who drive their own vehicles on school business should explain the business use of the vehicle carefully to their personal insurance agents - occasional use (less than three times per week) of a personal vehicle is not normally considered "regular business use." When staff transport students in their personal autos occasionally as needs arise, they should not be expected to pay increased auto premiums. Employees who drive their own vehicles for the district and receive reimbursement for mileage already receive money for insurance coverage. According to the IRS, a portion of the reimbursed cost for use of personal vehicles is the insurance coverage.

What can a school district do to limit its exposure to liability when employees and volunteers drive their own autos on school business?

Make sure those vehicles are insured and inspected!

As a reminder, the Risk Cooperative recommends that member districts require that their employees and volunteers who drive their own vehicles on school business carry a minimum of \$100,000/\$300,000 bodily injury liability coverage. (Washington State law requires liability limits of \$25,000/\$50,000).

In addition, drivers of vehicles transporting students should complete a vehicle inspection checklist and offer proof of insurance prior to the trip. An easy-to-use, sample vehicle inspection form, part of the "Volunteer Driver Checklist," is available from the Risk Cooperative.

If you have questions please call the Risk Cooperative at (360) 750-7504.

Student transportation concerns

School district staff often inquire about the liability associated with allowing students to drive themselves and other students to sport activities, field trips, or other school events. In this article we will discuss why students sometimes have to transport themselves to school events and steps that school districts can take to lessen the liability associated with that practice.

Some sports such as golf or tennis may require students to travel to an offsite location to practice or compete. Students also might drive themselves to a school-related event because the group may not have enough participants to justify the use of a school van or bus. Students may need to drive to Skill Centers that are off campus and sometimes, students may like having the flexibility driving their own car provides. These types of scenarios create a district liability exposure of which districts must be aware.

The best risk management for this scenario is to reduce liability exposure to the district through risk transfer. If students

drive themselves or other students to events, the district should "divorce" itself from the responsibility of arranging the transportation. In other words, the district should leave the arrangements of transportation for student involved in these circumstances to the parents.

Following are steps the district can take to lessen a school district's liability:

- Give specific directions to the destination
- Inform parents that school district transportation is not available and that it is their responsibility to make transportation arrangements. It is the parents' decision whether or not to allow their student to drive themselves or to ride with another student
- Require a signed parent acknowledgement of this notification
- Never give direction as to who can ride with whom

Below is an example of a wording that a school district in Western Washington included on every application for participation in sports. "Transportation will not be provided except

as specifically identified by the school. Use of non-district provided transportation will be needed to access off campus sites for practices and some contests. Providing or arranging appropriate transportation to these contests is the responsibility of the parent."

School district personnel also ask whether it is permissible for a student to ride home from a school sponsored event with someone other than the school bus transportation which is provided by the district. Basically, students are expected to ride the school bus to and from school events unless written parental permission is obtained, or the student is released to the parent. Even when the student is released to the parent, it is strongly recommended that a note be obtained from the parent. This will lessen liability to the district in the event a parent lets their child ride home with a friend.

Rental car insurance needs

Does the District need to purchase the insurance offered by rental car agencies when the District rents vehicles for business use? The short answer to that question is; "No, the District does not need to purchase the coverage offered by the car rental agency."

Districts that are members of the Southwest Washington Risk Management Insurance Cooperative (Risk Cooperative) are provided insurance coverage that covers the District's liability that may occur while operating a rental car. The Risk Cooperative also provides coverage for physical damage to the rental car that may occur as a result of an accident, theft, fire or other peril.

The liability insurance coverage has liability limits that exceed those offered by a car rental agency, thereby providing better protection than what can be purchased at the time of rental. There is no deductible applicable to the member under the liability insurance coverage provided by the Risk Cooperative. This liability coverage is intended for the District's official business use of the rented vehicle, the same as the coverage provided for a vehicle owned by the member school district.

Rental car companies also offer "Physical Damage Coverage". This coverage is intended to include any damage that may occur to the rental car while it is in the possession of the district's employees and generally costs between \$9 and \$15 per day. It is not necessary for the District to purchase this coverage, however Auto Physical Damage coverage provided to the District by the Risk Cooperative is subject to a \$1,000 deductible, the same as to an owned vehicle. Since there is generally no deductible applicable to the Auto Physical Damage coverage purchased from the rental car company, the District may consider purchasing this coverage.

An employee, who is on official business of the District and intends to use the same rental car for personal use while visiting the area, should check with their own auto insurance carrier to verify that the employee's auto insurance will extend to the rental car while the employee is using the car for personal use. If not, the employee may want to pay for the additional coverage for their personal use. The use of a rental car to go to and from restaurants while on official school district business is not considered personal use and the District's coverage would apply.

Before leaving the rental company's lot, do a complete walk-around of the vehicle and note, in the presence of a rental car employee if possible, any physical damage that may exist. Make a note of any damage on the rental contract or on the envelope that is usually provided, of the damage and where it is located. By noting the damage before the vehicle is taken off the premises, the District should not be charged for repair of that damage. Also note any new damage that was caused while in the District's possession and bring that to the attention of the rental company.

If an accident occurs while using a rental car, notify the rental car agency. Follow the District's procedures for accident reporting. If there are injuries call for medical and police assistance. If it is a serious accident with injuries, please inform the Risk Cooperative immediately at (360) 750-7504. As with any accident, exchange names, addresses and telephone numbers, along with insurance information, such as insurance company, insurance agent and policy numbers. Take photographs. Draw a diagram of the accident scene. Do not admit fault. Make a complete report to your supervisor when you return to work.

For more information, please contact the Risk Cooperative at (360) 750-7504.

Non-student travel in school district vehicles

Occasionally districts ask the Risk Cooperative if there is insurance coverage for non-students who travel aboard school district vehicles. This may come in the form of bus drivers who bring their own children along on the bus on an emergency basis (such as when no sitter is available) and on extra trips, or a coach bringing along his/her children to a game.

Liability coverage is provided through the Risk Cooperative for member districts transporting anyone "authorized" by the school district in a district vehicle.

Although there are no formal guidelines in this area, it is not a good practice for non-students to travel aboard school district vehicles. There are several reasons for this:

- **The employee's attention is further divided**

A driver's attention is already divided since the driver has to pay attention to both the road and the passengers. Having his/her own child in the vehicle adds another supervision concern for the driver. Preferential treatment of the employee's child may also become an issue. There is a similar concern with a school coach who has to watch his/her own child as well as supervise students.

- **Non-students do not receive school bus safety and emergency training**

Non-students do not receive the same training in school bus safety and emergency procedures as do district students, and may not behave appropriately. How do non-students learn the rules for proper behavior on the bus as well as safety around the bus?

- **The district is exposed to additional potential liability**

Transporting children other than those the district is required to transport is an additional liability loss exposure for the district. If an accident were to occur, the district may become liable for those injuries.

- **Car seats may be needed for younger and smaller children in cars or vans**

Special child passenger restraint devices (infant, child or booster seats) are required for children under six years of age or sixty pounds (see RCW 46.61.687). An exception is made for school buses that do not have seat belts.

The district should adopt a policy on whether it allows the transportation of non-students in school district vehicles. If the district allows this, have it on a case-by-case exception basis only, with a specifically designated employee who can authorize this. If this is done on a recurring basis (and the Risk Cooperative discourages this), it should be authorized by the school board or superintendent.

Remember - "Just because it's covered doesn't mean that it's a good idea." Think carefully before allowing employees to bring their own children along, and weigh the benefits and the risks.