



SuperVision[®]
ELEVATE DRIVER PERFORMANCE

**Negligent
Entrustment:
The Risk of
Overlooking
Driver Safety**

Whether a business has a fleet of trucks or a few sales people on the road, negligent entrustment poses a multi-million dollar threat.

Leaders in all sectors are typically well-versed in the liabilities associated with their industries. Whether the organization is a waste management company with an impeccable health and safety record, a manufacturer carrying out exhaustive product testing or a real estate company with a strong background in property law, leaders are tasked with compliance and safety in many arenas.

Driver safety, however, is often an overlooked risk gap. Whether a business has a fleet of trucks or just one or two sales people on the road, it could be at risk of negligent entrustment should one of those drivers have an accident.

Many companies do not realize they have an important duty of care to do all they can to ensure they put only safe drivers on the roads. If they fail to do so they could face costly lawsuits as a result of an accident.

WHAT EXACTLY IS NEGLIGENT ENTRUSTMENT?

Negligent entrustment occurs when a dangerous article – in this case a vehicle – is entrusted to somebody who is reckless, inexperienced, or incompetent. If the entrusted individual has an accident, the injured party has the right to bring a case against the individual's employer.

In order to find fault with the employer, all the plaintiff needs to show is:

- The organization entrusted the vehicle to the driver
- The driver was reckless, incompetent or unlicensed
- The organization knew – or should have known – that the driver was reckless, incompetent or unlicensed

\$56B

Cost of motor vehicle accidents to employers in 2017

53%

Of vehicle accidents caused employees to miss work

\$760

Out of service cost for fleets per vehicle per day (up to)

**Motus: 2018 Driver Safety Risk Report*

From there, the plaintiff simply needs to prove that the driver was negligent while operating the vehicle and that the negligence resulted in damages.

The key issue for company leaders is the responsibility component. Leaders have to stay current on each driver's record. What they don't know in this scenario can absolutely hurt them – and cost the organization millions of dollars.



\$21K

Average cost of crash with property damage

\$387K

Average cost of crash with a single injury

\$8.4M

Average cost of crash with a single fatality

FMCSA: "Unit Costs of Medium and Heavy Truck Crashes" 2006; adjusted for inflation

WHICH COMPANIES ARE AT RISK?

The issue with negligent entrustment is that every company with drivers is at risk. All organizations face this issue – from grocery stores making deliveries to pharmaceutical companies with sales people on the road.

What's more, it is not just somebody driving a company vehicle that creates a risk – the individual could be driving their own private vehicle to carry out the work. For example, a restaurant employing a pizza delivery driver using a personally owned car is still responsible for the safety risk that driver poses on the road.

Finally, an organization is not protected just by carrying out a background driving check on a new employee. As far as the law is concerned, any organization can still be found responsible if a driver's status changes during the tenure of their employment. It is considered the organization's responsibility to stay up to date on its employees' driving records.

WHAT ARE THE DAMAGES?

Unfortunately, negligent entrustment cases can result in large payouts. Frequently a jury sees the company as having deep pockets and if fault is found the organization can face multi-million dollar damages.

For example, in one case an elderly woman was tragically killed by a moving truck while walking in the common area of an apartment complex. Her son sued the moving company. The case facts demonstrated the company put a risky driver on the road who did not have the correct commercial license and training. The case was settled for \$825,000.

“The company was sued and the jury awarded a payout of \$3.6 Million”

In another case, an employer was unaware that one of its drivers had been driving on a suspended license for five months while continuing to work. After working a 100-hour week, the driver got into an accident while talking on his cell phone. The victim was left with serious, lifelong injuries. The company was sued and the jury awarded a payout of \$3.6M.

HOW CAN AN ORGANIZATION PROTECT ITSELF?

Protecting the organization against cases of negligent entrustment is a critical responsibility of leadership.

While most organizations regularly screen drivers upon hiring, this procedure is no longer accepted as a sufficient risk management practice. Even ordering annual Motor Vehicle Records (MVRs) in an effort to stay apprised of drivers' activity leaves large gaps in risk management as it essentially leaves the organization blind to its drivers' records 364 days of the year. In today's business climate, organizations are expected to have a complete picture of the risk their employees present 365 days/year.

Even self-reporting policies – putting the onus onto the driver for disclosing license status changes – have not held up in court. Juries and judges alike have high expectations for company leaders.

**20% OF
DRIVERS ARE
RESPONSIBLE
FOR 80% OF RISK**

SuperVision has extensive experience working in mobile workforce industries and providing tools to help companies manage and monitor their fleets.

License Monitoring is available for all companies looking to avoid negligent entrustment issues and provides continuous monitoring of all drivers for any violations or changes in license status. SuperVision is the industry's most comprehensive driver license monitoring solution.

SuperVision forms an integral part of a proactive company-wide approach to road safety. Through monitoring, SuperVision can alert leaders to those drivers who may need additional training or coaching to avoid a potential accident. Creating safe fleets creates a safer road for everyone and protects organizations from potentially expensive lawsuits.

about **SuperVision**[®] ELEVATE DRIVER PERFORMANCE

SuperVision provides comprehensive, fleet-safety and performance-management solutions that optimize fleet oversight and driver behavior, through advanced data, actionable insights, analytics, and reporting. SuperVision is the latest in a line of industry-leading products and services created by Explore Information Services and Solera Companies. Since 1989, Explore Information Services has been providing risk-data services and developing superior information solutions for commercial fleets, insurance companies, and government entities.



Learn more about the products discussed in this whitepaper (shown above) or schedule a free demo by visiting our website at [esupervision.com](https://www.esupervision.com)