



RISK NOTE

SUBJECT: Insurance Coverage for Health Care Agency Employees' and Volunteers' Use of Their Own Automobiles

Primary Coverage

It is the employees' and volunteers' responsibility to secure adequate primary insurance for the purposes for which their vehicles are used. In BC, the Insurance Corporation of British Columbia (ICBC) must provide at least the basic third party liability required by law, which may be increased at the employee's/volunteer's option. This ICBC coverage (the Primary Coverage) is the first level of insurance available to protect employees and volunteers in the use of their own vehicles. Health Care Agency (HCA) employees should be advised to contact a licensed insurance broker to confirm that they have the appropriate ICBC rating/classification to allow them Primary Coverage for the business use of their vehicle.

Health Care Agency Payments for Business Use Coverage

There are various policies in effect across HCPP Members regarding paying for business use coverage for employees whose job requires travel. These include:

- screening on employment those employees willing to purchase business use of their vehicle as a condition of employment (i.e. the employee pays the cost of business use);
- the HCA either reimburses employees directly for the ICBC rating criteria difference between business and pleasure use of their vehicle; or includes a percentage for this in their kilometer reimbursement allowance.

Whatever the approach, it should ideally be articulated in the policies and procedures of the HCA. Please note that ICBC may be contacted to determine whether a preferential group rate is available for employer groups to cover the business use portion of employees' insurance. In the event of an accident, ICBC will assess the situation in the usual fashion and the volunteer's/employee's driving record may be affected and penalties may be incurred, even if employer arranged coverage is in place.

Secondary Coverage - Non-Owned Vehicles (Non-Owned by the HCA or the Person Operating the Vehicle on HCA Business)

The HCPP Liability Agreement (the Agreement) provides secondary coverage to officers, employees, volunteers and every member of the HCA's committees (each a

Covered Person) in circumstances where they are driving a vehicle on HCA business, which is **not owned** by them (or anyone who resides in the same dwelling as they do), or the HCA. This coverage applies even if the vehicle is leased in the HCA's name, provided it is not licensed in the name of, or owned by a Covered Person.

Leased Vehicles

The Non-Owned Vehicle Coverage provided under the Agreement would not apply in a situation where there has been a long term lease of a vehicle by the HCA. In this instance, the vehicle would usually be licensed in the name of the HCA or of a Covered Person who is to have the benefit of the vehicle. This coverage would apply in a short term lease situation, for example, where a vehicle was leased from a car rental company for use by a Covered Person while out of town on HCA business.

APV 212 Secondary Coverage - Vehicles Owned by Employees and Volunteers (the Excess Coverage)

HCPP has purchased from ICBC, an APV212 Special Excess Third Party Liability Coverage (the Excess Coverage) which covers:

1. Officers or employees of the HCA who operate their own vehicle or someone else's vehicle (but not one owned by the HCA) with that person's permission in the course of their employment with the HCA;
2. Volunteers who operate their own vehicle or someone else's vehicle (but not one owned by the HCA) with that person's permission while acting within the scope of their volunteer duties with the HCA; and
3. The owner of a vehicle (but not the HCA) operated with permission by those persons described in numbers 1 and 2 above.

This coverage would also apply in situations where the officer, employee or volunteer has elected to obtain "ownership" of their vehicles by a lease rather than by purchasing it (i.e. the vehicle is licensed and leased in their name).

The coverage provided by this Excess Coverage tops up the Primary Coverage to a maximum limit of \$5,000,000 per claim. For example, if the employee, officer or volunteer has Primary Coverage to a limit of \$1,000,000, this Excess Coverage would provide additional coverage of \$4,000,000 per occurrence.

Tertiary Coverage

In addition to the Primary Coverage and Excess Coverage, there is a third level of coverage available under the Agreement (the Tertiary Coverage). The Tertiary Coverage applies to all sums which the volunteer; director or appointee shall become obligated to pay by reason of liability imposed by law for loss or damage arising from the use or operation of any vehicle owned or licensed in the name of the HCA or by the

directors, officers, employees, volunteers or appointees in the business of HCA and resulting from bodily injury to others, or damage to the property of others.

General Aspects of Automobile Coverage Under the Agreement and Under the Excess Coverage

The Excess Coverage provided by ICBC and the Tertiary Coverage provided by the Agreement both follow the conditions of the ICBC Primary Coverage. **If the conditions for meeting the Primary Coverage (and in the case of employee/volunteer owned vehicles, the Primary and Excess Coverage) are not met, then the Tertiary Coverage provided by the Agreement will not be paid out.**

If an employee, volunteer or officer is involved in a motor vehicle accident while on HCA business, ICBC will assess the situation in the usual fashion and the employee's/volunteer's driving record may be affected and penalties may be incurred.

Additional Coverage from Car Rental Agencies

In light of a negotiated agreement which the B.C. Government has with car rental agencies (part of the Master Standing Offer), employees, officers, HCA members and volunteers should consult with the appropriate administrator from their HCA to ascertain whether it is necessary to purchase the excess insurance coverage offered by rental agencies. Employees of the B.C. Government, including HCA employees, may notify the rental agencies that they are government employees to obtain the negotiated government rate for car rentals.

If you have any further questions regarding automobile coverage for directors, officers, staff or volunteers please call HCPP at (250) 356-1794.

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