

# Large Claims Lessons Learned



## Line of Business: Auto Liability Topic: Hiring Practices

### Claim scenario

A technician was allowed to take a vehicle home overnight for an extended maintenance check. The next morning, the technician was driving the vehicle more than 20 mph over the speed limit, veered into the other lane, and caused a head-on collision, resulting in the death of another driver.

The technician was also in possession of a firearm during the incident. Driving history revealed four accidents and six speeding violations. The technician also had a criminal history of unlawful gun possession, burglary, aggravated violence, and kidnapping.

### Financial impact

This claim may have a financial impact of up to **\$10,000,000**.



### Lessons learned

1. Establishing thorough hiring practices to protect your dealership is essential.
2. When hiring practices are not followed on a consistent basis, a dealership opens itself up to additional exposure and could be viewed as negligent when a loss occurs.
3. In many cases, the dealer is viewed as the expert and may have an additional duty to ensure individuals who work for them are fully vetted.



### Action needed to prevent this type of loss

- Develop strict hiring guidelines.
- Complete a detailed background check, MVR check, and drug screen for every new hire.
- Require ongoing driver safety training for all employees who may drive company vehicles as part of their job duties.
- Review and assess your staff's driving skills regularly.



### Loss prevention/Risk management resources

Zurich offers a variety of risk management insights and employee selection and training resources to help you minimize your risk. Read our loss prevention bulletin, [Who's driving your vehicles](#), and read our article, [Negligent Entrustment](#), to learn more about how you can protect your dealership. Visit Zurich's [Automotive Dealer Resources](#) hub to access all of Zurich's loss prevention resources.

## Zurich

1299 Zurich Way, Schaumburg, IL 60196-1056 800 382 2150 [www.zurichna.com](http://www.zurichna.com)

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A1-P0795370-A (06/24) P0795370

