
Standard Operating Procedure: **Renting Vehicles on York University Business**

Approval Authority: **Director, Risk Management Services**

Effective Date: **August 2016 (revised March 2020)**

I. INTRODUCTION

When renting an automobile for less than 30 days on University business, the following procedures should be followed to protect University staff and faculty from incurring an uninsured loss.

For rentals that extend beyond 30 consecutive days, contact Risk Management Services.

II. CONDITIONS OF THE RENTAL AGREEMENT

Car rental agreements are similar across companies. All of them state that the insurance provided by the rental agency will not apply if any conditions of the rental agreement are breached. This may even include the agency's third-party liability insurance. It is therefore critical that drivers of rental vehicles observe the following at all times:

- a. Only authorized drivers named in the agreement may drive the vehicle;
- b. Primary drivers must drive the vehicle the majority of the time;
- c. The vehicle must not be taken off public roads;
- d. The vehicle must be kept locked at all times;
- e. The driver must not be under the influence of alcohol or drugs while operating the vehicle;
- f. Do not exceed the speed limit;

- g. Do not continue to drive a vehicle which has become damaged.

These are standard conditions in most car rental agreements, and the breach of any of them will significantly increase the University's risk exposure.

III. GUIDELINES

1. Procurement Services have negotiated preferred rates through Canadian Association of University Business Officers. For more details, visit the Procurement Services web site or www.caubo.ca.
2. Any additional drivers must be named on the agreement and all drivers must be of legal age to drive in the locality where the vehicle is being operated:
 - In Canada, drivers must be 21 or older to rent a vehicle; in many U.S. states, the age limit is 25 or over. The car rental agency should be contacted if there is any uncertainty as to what the legal age limit is in the area where the vehicle is being operated. It should also be noted that some car rental agencies have their own specific age restrictions which may exceed the provincial/state standard.
3. Only passenger-type or light commercial vehicles (cars, light trucks or passenger vans) should be rented. There are special driver licenses required to operate larger vehicles.
4. The rental company must know where the vehicle will be used. If the vehicle will be driven in another province or state, this must be clearly indicated on the rental agreement.
5. Individuals are responsible for their own personal property left in the vehicle (including any University-owned property). Ensure that all valuables are locked in the trunk of the car.

IV. RENTING VEHICLES IN CANADA, USA OR WORLDWIDE

There are three separate areas of concern when renting automobiles:

1. **3RD PARTY LIABILITY COVERAGE:** The rental company provides 3rd party liability coverage. York University carries an excess policy that provides additional coverage beyond the rental car company's insurance limits.

(3rd Party Liability Coverage - Ontario Only)

Revisions to Ontario's insurance legislation have changed the priority of payments for liability losses, limiting the rental agency's liability. Employees who rent vehicles under their own name may be exposing

their own insurance policies to a liability claim for third party property damage or bodily injury which occurs while the vehicle is in their custody or control.

To reduce personal liability, the rental contract must clearly state it is between the University and the rental agency. Options include: setting up a corporate account between the University department and the rental agency (i.e., Biology Department); or whenever an employee signs a rental contract, the employee should clearly state, “an employee of York University” or include “[employee’s name], York University” and list the employee as driver only. The University carries an excess liability policy to respond in the event of a claim where an employee is using a rental vehicle for University business.

- 2. COLLISION DAMAGE:** The York University US Bank Travel & Expense Visa corporate card provides collision damage coverage for most private passenger vehicles and standard mini-vans made to transport a maximum of 8 people including the driver (expensive or exotic vehicles and larger vans/pickup trucks are excluded). The insurance is only valid if the Cardholder is listed on the rental agreement as the primary driver (and drives the vehicle for the majority of the time during the coverage period). If there are secondary drivers, they should also be listed on the rental agreement. Secondary drivers can also be insured under the terms of the card agreement. Contact the US Bank Travel & Expense Visa corporate card (1-800-847-2911) for further details.

The University provides the US Bank Travel & Expense Visa corporate card to employees who travel. In normal circumstances, where the employee has an US Bank Travel & Expense Visa corporate card, this is a no cost alternative to purchasing the collision damage coverage. **As a consequence, collision damage coverage need not be purchased and is not an eligible reimbursable expense under the University’s Expense Policy.**

To apply for a US Bank Travel & Expense Visa, please contact Procurement Services, Finance Department or complete the “Travel Visa Card” application form in the forms section of the finance department website.

- 3. PERSONAL ACCIDENT INSURANCE (PAI):** This type of insurance should be declined for those staff and faculty who participate in the University’s employee benefits plan.

RENTALS OUTSIDE OF CANADA AND THE U.S.: As a means to further minimize liability exposures associated with renting automobiles outside of North America, Risk Management Services is also advising staff/faculty to:

- a. Use taxis, hire buses and drivers (for large groups), or arrange for other means of transportation with the host institution; and
- b. Consult with Risk Management Services as soon as possible prior to departure to discuss options available to arrange individual coverage.

V. IN THE EVENT OF AN ACCIDENT

In the event of an accident contact the rental agency immediately and follow its instructions. If you rented with the York University US Bank Travel & Expense Visa corporate card or another premium credit card, notify the card company within 48 hours of the incident. If you did not purchase CDW coverage and did not use the York University US Bank Travel & Expense Visa corporate card, notify Risk Management Services (riskmgmt@yorku.ca or 416-736-5514) as soon as possible.