Risk Management Services
Division of Finance and Administration

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

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

Effective Date: **August 2016 (revised March 2025)**

I. DEFINITIONS

Authorized drivers, for the purpose of this procedure, are staff or faculty who have been approved by their supervisor to operate a rented vehicle in the course of their employment.

A **car rental agreement** is an agreement between a car rental company and an individual or organization, outlining the terms and conditions required in order to use a vehicle for a specified amount of time. To reduce personal liability, the rental agreement must clearly state it is between the University and the rental agency.

II. INTRODUCTION

When renting an automobile for University business for less than 30 days follow the procedures below to protect the University staff and faculty from incurring an uninsured loss and costs.

For rentals exceeding 30 consecutive days, contact Risk Management Services before renting the vehicle.

III. CONDITIONS OF THE RENTAL AGREEMENT

Car rental agreements usually state that the insurance provided by the rental agency, including liability, will not apply if any conditions of the rental agreement are breached. It is therefore critical that drivers of rental vehicles observe the following at all times:

a. Only authorized drivers with a valid drivers licence, and who are named in the agreement, may drive the vehicle;

b. The vehicle must not be taken off public roads;

c. The vehicle must be kept locked at all times;

d. The driver must not be under the influence of alcohol or drugs while operating the vehicle;

e. The driver must follow the laws of the area where the vehicle is being operated;

f. Do not continue to drive a vehicle that is 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.

IV. GUIDELINES

1. Strategic Procurement Services has negotiated preferred rates through Canadian Association of University Business Officers. For more details, visit the Strategic Procurement Services webpage on Car Rentals.

2. All drivers must be named on the agreement and 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 or light commercial vehicles (cars, SUV's or passenger vans) should be rented, as special driver licences are 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 that they choose to have in the vehicle (including any University-owned property). Ensure that all valuables are locked in the trunk of the car.

V. RENTING VEHICLES IN CANADA, USA OR WORLDWIDE

Consider these coverages 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 to the rental car company's insurance limits.

   <u>(3rd Party Liability Coverage - Ontario Only)</u>
   Revisions to Ontario's insurance legislation have changed liability losses, employees who rent vehicles under their own name may be exposing their own insurance policies to a liability claim.

   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.

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. Therefore, **collision damage**

coverage should 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 Strategic Procurement Services or complete the "Travel Visa Card" application.

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

4. **RENTALS OUTSIDE OF CANADA AND THE U.S.:** To further minimize liability exposures associated with renting automobiles outside of North America, Risk Management Services also recommends :

   a. Using taxis, hiring buses and drivers (for large groups), or arranging for other means of transportation with the host institution; and

   b. Consulting with Risk Management Services as soon as possible prior to departure to discuss options available to arrange individual coverage.

VI. IN THE EVENT OF AN ACCIDENT

In the event of an accident contact the rental agency immediately and follow their instructions. If you used the York University US Bank Travel & Expense Visa corporate card notify the card company within 48 hours of the incident.

If you did not purchase Collision coverage and did not use the York University US Bank Travel & Expense Visa corporate card, notify Risk Management Services (riskmgmt@yorku.ca) as soon as possible.