



## SPECIAL REPORT

### **SORRY EMPLOYER: YOUR COMPANY VEHICLE'S LICENSE PLATE HAS BEEN CONFISCATED AND YOUR VEHICLE IMMOBILIZED UNDER THE MICHIGAN REPEAT OFFENDER LAWS**

**P.S. YOU ARE BEING SUED FOR MILLIONS**

**(05-03-13)**

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- According to the Michigan State Police Office of Highway Safety Planning, Michigan experienced 382 alcohol or drug-related traffic fatalities in 2007.
- The leading cause of death / injury in the workplace is traffic accidents. Highway incidents alone accounted for nearly one out of every four fatal work injuries in 2006.<sup>i</sup>
- The average on the job crash costs an employer about \$16,500 or just under \$0.16 per mile driven. Crashes involving injuries cost substantially more -- \$504,408 for a fatal injury and \$73,750 for a nonfatal injury.<sup>ii</sup>
- Damages awarded to plaintiffs making negligence claims against companies are at an all time high, settlements of \$1 million or more are not unusual.<sup>iii</sup>
- An employer's knowledge of poor driving records can come back to haunt it in litigation after a motor vehicle accident, even if the insurer has not excluded the driver from coverage.
- Michigan is confiscating license plates each day under repeat offender laws, including plates from company owned or leased vehicles.

- Immobilization of company vehicles and criminal charges are possible under the law.

## **INTRODUCTION**

Employees driving on company time in either company vehicles or their own vehicles expose companies to tremendous potential liability. Further, suspended and/or drunk drivers present even more exposures to employers, including the confiscation of license plates and the potential immobilization of company owned vehicles. Unfortunately, the battle does not end there. Even if you do obtain motor vehicle reports, you could face civil liability and fines for failure to comply with the Fair Credit Reporting Act or Michigan Driver Privacy Protection Act.

The purpose of this Special Report is to analyze how best to protect your organization from the risk of motor vehicles and to provide suggestions on dealing with motor vehicle reports.

### **MULTI-MILLION DOLLAR MOTOR VEHICLE CASES OVER THE PAST THREE YEARS**

A study of recent verdicts and settlements over \$1,000,000 in the past year reveals that a significant number of such cases relate to motor vehicle accidents. Here are some:<sup>iv</sup>

- \$1.35 million in automobile negligence case where Plaintiff construction worker was struck by a driver who was driving drunk during working hours. Plaintiff suffered traumatic brain injury and pelvic injuries as a result of the accident. The driver was driving a co-employee's personal vehicle at the time of the accident. The driver, co-employee (vehicle owner) and employer were all sued in this case.
- \$1.5 million in a wrongful death case in which deceased Plaintiff was struck and killed by a Detroit city bus while fixing his car tire on the shoulder of the road.
- \$3.1 million in a case where minor Plaintiff suffered closed head injury and permanent disabilities after being struck by Defendant driver who ran a stop sign. The Defendant driver was driving a vehicle owned and titled to Co-Defendant employer.

- \$1.9 million in a wrongful death case where married couple in their 50's instantly killed by a drunk driver who crossed the center line
- \$3 million in an automobile negligence case where 16 year old Plaintiff suffered multiple severe traumatic brain and orthopedic injuries when the car she was driving was involved in a serious accident caused by a commercial truck making an illegal left turn in front of her vehicle.

## **I THOUGHT THE NO FAULT LAW PROTECTED US?**

The Michigan No-Fault Act prohibits lawsuits involving motor vehicles in many cases. However, where there is a serious impairment of a body function or permanent and serious disfigurement, lawsuits are permitted in Michigan.

Since tort reform of 1996, it has become more difficult to meet the standard of a serious impairment of a body function. The impairment now must be an “objectively manifested impairment of an important body function that affects the person’s general ability to lead his or her normal life.” Further, it is up to the judge and not the jury in most cases to decide whether a serious impairment exists.<sup>v</sup>

However, motor vehicle accidents which involve serious injury or death will meet the standard and if it is on company time, could expose your organization to tremendous liability.

## **PORTIONS OF MICHIGAN’S REPEAT OFFENDER LAWS APPLY TO COMPANY VEHICLES**

### **A. Company Vehicles Are in Jeopardy**

#### **1. Plate Confiscated and Destroyed**

Under Michigan’s repeat offender laws, drivers who have repeat offenses for driving while their license is suspended or repeat alcohol offenses face serious consequences. These consequences also apply to company vehicles and vehicles co-owned by the driver and someone else. The metal plate will be destroyed until the case is adjudicated.

“Repeat offenders” include drivers with:

- 2 or more alcohol-related convictions within 7 years
- 3 or more convictions for driving while suspended or revoked in 7 years
- 3 or more alcohol-related convictions within 10 years

A second drunk driving offense results in mandatory confiscation of the metal license plate. A paper license plate may be issued during the confiscation period.

A third drunk driving offense may result in felony charges, regardless of the number of years that have elapsed since any prior conviction.<sup>vi</sup>

A third driving while suspended conviction requires mandatory metal license plate confiscation as well.

## 2. Immobilization and Forfeiture Possible

A second drunk driving offense requires mandatory immobilization of the vehicle for 3-6 months and presents the court with the right to forfeit the vehicle and require its sale. Immobilization means that a “boot” will be installed on the wheel of the vehicle and the court will require proof that this has been accomplished.

A third drunk driving offense requires immobilization for 1-3 years and possible vehicle forfeiture.

A third or fourth driving while license suspended offense requires mandatory immobilization of the vehicle for 3-6 months and a fifth offense requires immobilization from 1-3 years.

Courts will not immobilize vehicles owned by someone else unless it can be shown that the owner of the vehicle knowingly allowed it to be operated by an intoxicated, suspended or revoked driver.

### 3. More Penalties for Driver / Employee Means More Time Away from Work

The consequences to the driver are severe - even for the first offense. Depending on the court, this can include community service time, probation oversight time, substance abuse program attendance and other penalties. Further, a court is required to suspend a drunk driver's license for at least 6 months for even first offenses (restricted license may be available after 30 days in some cases).

### 4. Criminal Charges Can Be Brought Against Owner of Vehicle

New crimes are established with the repeat offender laws including the following:

- Driving While License Suspended Causing Serious Injury - 5 year felony
- Driving While License Suspended Causing Death - 15 year felony
- Allowing Another Person to Drive While Suspended Causing Serious Injury - 2 year felony
- Allowing Another Person to Drive While Suspended Causing Death - 5 year felony

If your company vehicle is used by a repeat offender and that person seriously injures or kills someone, the prosecutor could bring felony charges if the company knew about the suspension or intoxication.

## **WHAT SHOULD AN EMPLOYER DO?**

### **A. Develop a Company Policy on Driving**

Employers should have a detailed company policy on when employees can drive any vehicle on company time. A sample policy can be found at Form 1.1.

Also included in this report at Form 2.1 is a sample Statement of Driver Responsibility that can be used to have employees acknowledge your driving policy and state whether they are in compliance.

For companies that are providing company owned or leased vehicles, a separate policy should be considered. A sample is provided at Form 3.1.

## **B. Check Motor Vehicle Reports**

Your commercial insurance company will likely ask for a list of drivers, their dates of birth and license number to obtain motor vehicle reports so that they can evaluate the insurability of drivers. The downside of this is that most insurers and agents are prohibited from sharing this information with the insured/employer given recent implications under the Fair Credit Reporting Act (discussed below). Moreover, insurers may only run MVR's on a random list of drivers and generally do not have the resources to keep up with a check each time you add additional drivers. As a result, it is probably a good idea to have a system to check MVR's on your own.

The Secretary of State currently offers the Subscription program, which is a service costing \$7.00 per record, whereby companies are informed on an annual basis of the driving records of employees who drive on company time, even if there have been no infractions. Reports will also be sent to you each time an employee enrolled in the program receives any violations, suspensions or revocations posted to their record.

To obtain the forms to participate in the Subscription program, submit your request with the following information:

- Program you are interested in (Subscription Program)
- Company name and address
- Contact person
- Contact person's telephone and fax numbers
- Contact person's e-mail address

Submit your request to the following address:

Michigan Department of State  
Bureau of Driver and Vehicle Records  
Attn: Commercial Services Section  
7064 Crowner Drive  
Lansing, MI 48918  
Email: [CommercialServices@michigan.gov](mailto:CommercialServices@michigan.gov)

Some employers may not know how to read motor vehicle reports when they receive them. An annotated Motor Vehicle Report is included at Form 4.1.

More detailed information about interpreting driving records can be obtained at:

[http://www.michigan.gov/documents/howtoreaddr\\_19352\\_7.pdf](http://www.michigan.gov/documents/howtoreaddr_19352_7.pdf) or by calling 888-767-6424.

The problem often arises about whether an employee has convictions in other states that would not appear on the Michigan record. The National Driver Register, administered by the National Highway Traffic Safety Administration, offers record checks for reporting states for three years back from the date of inquiry. Information provided to employers will include only the identification of the state(s) which have reported the information. The state where the infraction occurred will have to be contacted to obtain the exact record.

More information can be obtained by calling 1-888-851-0436 or online at:

<http://www.nhtsa.gov/portal/site/nhtsa/menuitem.f27748441b1ad09d07b2e610cba046a0/>.

### **C. Be Cautious About the Fair Credit Reporting Act and the Michigan Driver Privacy Protection Act**

The Fair Credit Reporting Act is a federal statute that requires companies who obtain “consumer reports” (which includes motor vehicle reports) to go through various procedures to obtain the report and if any adverse action is taken against an employee or applicant for employment as a result of the MVR.

Michigan also has a statute called the Driver Protection Act that requires that MVR information be used only for permissible purposes and a form must be signed by the company obtaining the record to certify this.

The best advice to follow in obtaining MVRs is to speak with an attorney to be certain that you are following all of the intricacies of the law. The general rules are as follows:

Step One - Make a clear and conspicuous written disclosure to the employee/applicant in a separate document that a consumer report including a motor vehicle report may be obtained. A sample is Notice of Obtainment of Consumer Report can be found at Form 5.1.

Step Two - Obtain written authorization from the driver. A sample Authorization to Obtain Motor Vehicle Report is listed at Form 5.2.

Step Three - Certify to the company from which you received the MVR that the above steps have been followed and that the information will not be used in violation of any state or federal equal opportunity law or regulation, and that if adverse action is taken, a copy of the report and a summary of the consumer's rights will be provided to the employee or applicant for employment.

Step Four - Before taking adverse action, provide a copy of the MVR to the employee or applicant along with a copy of the consumer's rights under the Fair Credit Reporting Act. If you would like a copy of these rights, please contact Cambridge.

If you elect to take adverse action against an employee or applicant for employment based on the MVR, including denying driving privileges, you must give notice to the person of all of the following:

1. That adverse action has been taken based in whole or in part on a consumer report from a credit reporting agency;
2. The name, address, phone number (including toll free number if available) of the credit reporting agency;
3. That the consumer reporting agency did not make the determination and is unable to provide the reasons why the adverse action was taken; and
4. That the consumer may, upon providing proper identification, request a free copy of the report within sixty days and may dispute with the credit reporting agency the accuracy or completeness of the report.



Failure to comply with the specific requirements of the Fair Credit Reporting Act could expose your company to penalties of up to \$2,500 per violation. Moreover, there are also civil suits that can be filed against your company alleging that you took adverse action without following the federal requirements.<sup>9</sup>

The Fair Credit Reporting Act presents complex hurdles for employers. The advice of legal counsel should be obtained so that you can be certain you are complying with the law.

#### **D. Use Vehicle Allowances Instead of Company Cars**

If a company car or truck is provided for an employee, the employer/company is liable for any accidents with the vehicle even if outside of the scope of the employment. The reason for this is the Michigan Ownership Liability Statute that imputes liability to the owner (including lessee) of a vehicle for its negligent operation. As a result, a company vehicle that is involved in an accident while the driver is intoxicated on the way home from a nightclub one Saturday night can result in the employer being sued as well.

The other reason it is generally a good idea to avoid providing company vehicles for employees is that the company loses control over who drives the vehicle on non-working time. For example, an employee could allow a neighbor to use a company vehicle. A resulting accident could impose liability on the employer.

Given the above, it is generally advisable to give employees a monthly vehicle allowance in lieu of a company owned or leased vehicle.

#### **E. Obtain High Limits on Umbrella Policies**

As insurance attorneys and risk managers, we often receive the comment that high liability insurance limits are unnecessary because plaintiffs' attorneys will only sue you for the insurance you have. This is untrue. Courts may be unwilling to approve settlements for policy limits where there are other assets that make the company collectible. Further, plaintiffs' attorneys are usually reluctant to settle for policy limits where other assets can be attached. Otherwise, they would face a malpractice claim.

Notably, many of above settlements and verdicts involve employers. The reason for this is that employers face liability for employee accidents while driving on company time, even if it is in the employee's own vehicle. The legal doctrine that supports this in Michigan is called respondent superior, a Latin phrase meaning that the employer is responsible for acts of the employee while in the course of employment.

Vehicle liability coverage is purchased in three ways.

First, where the company does not own any vehicles, but employees still drive on company time occasionally, the company needs hired and non-owned vehicle liability coverage. This is purchased either as part of a package policy or as part of a separate Automobile policy.

It is important that your agent attempt to have employees listed as additional insureds for the hired and non-owned vehicle liability coverage. This is often missed by insurance agents and is important to prevent your insurer from pursuing the negligent employee for reimbursement and also to obtain coverage for the employee.

Second, where the company owns or leases specific vehicles, it will need to purchase a business Automobile policy which typically extends coverage up to \$1,000,000 per occurrence.

Third, an Umbrella policy is needed to obtain limits over and above the standard \$1,000,000 per occurrence provided by the business Automobile policy. Such a policy often is written "over" other policies as well including the Commercial General liability coverage of the business. Umbrella limits of \$1,000,000 to \$25,000,000 or even higher are available.

In evaluating what limit is right for your company, you should look to the assets that can be attached in the event of a serious accident involving multiple persons. Usually, no less than a \$5,000,000 Umbrella is acceptable.

## **F. What to Do If Your Insurer Wants to Exclude Drivers**

Insurers recognize the seriousness of the exposure of motor vehicles. While commercial policies are generally not rated based on driving records (unlike personal auto policies), insurers may refuse to offer a policy to companies with unacceptable drivers or may exclude drivers. This may cause you to indirectly pay more for vehicle insurance than you would otherwise have to.

If an insurer does indicate that it will exclude officers from the business Automobile Insurance policy, the company should take steps to either prevent the excluded drivers from ever driving on company time or to obtain replacement coverage. The problem with attempting to prohibit excluded drivers from driving any vehicle on company time is enforcement.

Be cautious in obtaining replacement coverage to be certain that any business Automobile policy is also named on the corporate Umbrella policy. Also be certain that the replacement policy includes coverage for non-owned and hired Vehicle coverage. Otherwise, employees who are involved in accidents while driving their own cars could subject your company to uncovered liability.

In some cases where a particular insurer is excluding certain drivers, a second policy can be obtained through another insurer for only the excluded drivers and the vehicles they are driving. Obviously, such coverage may be more expensive than otherwise.

## **G. Educate Employees on the Seriousness of Driving**

Employee education programs can be effective ways of avoiding problems.

Video cassettes are also available through Cambridge and/or the Michigan Resource Center for Health and Safety, Inc. (800-487-6709) and could be played at staff meetings to stress the seriousness of the new repeat offender laws and other safe driving principles.

A very good information booklet from the Michigan Secretary of State entitled "What Every Driver Must Know" can be downloaded from [www.michigan.gov/sos](http://www.michigan.gov/sos). This booklet can be used in employee training.

## **H. Welcome Insurer Loss Control Suggestions and Warnings**

Most insurance companies that write fleet policies closely underwrite driving records of employees. At times, employees will be placed on a "watch" by the insurance company. In this case, the employer/insured will be notified of this. This is your chance to speak with the employee and be certain that further problems do not develop.

Similarly, many insurers will exclude unacceptable drivers. In this case, you should get a letter from the employee acknowledging that they will not drive any vehicle on company time. Of course, denying driving privileges is considered "adverse action" and, as such, the requirements of the Fair Credit Reporting Act apply as discussed above.

## **CONCLUSION**

Most companies cannot afford to be without a company policy that addresses employees who drive on company time. Routine verification of driving records can prove to be a critical tool to enforcing your policy. However, in doing so, employers must be cautious as to the requirements of the Fair Credit Reporting Act as discussed above. Finally, be sure to obtain sufficient limits of coverage under an Umbrella policy to be certain that any accidents that exceed the threshold would prevent your organization from losing everything.

## FORM 1.1

### **SAMPLE COMPANY POLICY ON EMPLOYEE USE OF MOTOR VEHICLES ON BUSINESS TIME**

*The Company has adopted the following policy on employees driving on company time. This policy applies to whether the driving is in a company owned or leased vehicle, a temporary rental vehicle, the employee's own vehicle, or any other vehicle.*

#### **Safety Laws and Regulations**

*It is the expectation that all employees obey all safety laws and regulations of any state in which they operate and that safety belts are used.*

#### **Motor Vehicle Reports**

*If you will drive on company time for any reason, you will be asked to consent to allowing the Company to obtain and review a copy of your motor vehicle record. Further, Company policy is that it reviews such reports on at least an annual basis. [If you subscribe to the Secretary of State's driving record service, you should add the following: "The Company has subscribed to the Secretary of State's service that automatically provides us with a copy of your motor vehicle report annually and at the time you receive any infraction."]*

*To the extent any adverse action is contemplated against you because of your driving record, you will be provided with a copy of your consumer rights and a copy of their motor vehicle report. It is routine for the Company's insurer to also review employee-driving records for acceptability.*

#### **Unacceptable Drivers**

*An unacceptable driver is an individual who will not be permitted to drive on company time for any reason. Such drivers are those who:*

- Do not have a valid Michigan driver's license*
- Have a driver's license that is suspended by the Secretary of State or a court of law*
- Have incurred three (3) motor vehicle citations of any type during the past three (3) years and have six (6) points on a published motor vehicle report unless approved by the Company's motor vehicle insurer*

- *Have three (3) at-fault accidents in the past three (3) years*
- *Have had one or more of the following driving convictions in the past five (5) years:*
  1. *Driving while suspended (DWLS)*
  2. *Any alcohol related conviction or plea (including driving under the influence of alcohol, driving while impaired, unlawful blood alcohol content, open intoxicants in a motor vehicle)*
  3. *Reckless or careless driving*
  4. *Hit and run*
  5. *Vehicular manslaughter conviction*
  6. *Auto theft*
  7. *Drugs or narcotics*
  8. *Speed contest or exhibition of speed*
  9. *Attempting to elude police officer*
  10. *Failure to stop / report accident*
- *Have been excluded by Company's commercial insurer(s)*
- *Are unable or unwilling to correspond with the Company's policies on driving on company time as determined by Company in its sole discretion*

*If you do not meet the above standards, you will be immediately prohibited from any driving on company time and you will be required to provide us with a written confirmation.*

FORM 1.1 (Continued)

**SAMPLE COMPANY POLICY ON EMPLOYEE USE OF  
MOTOR VEHICLES ON BUSINESS TIME**

*As an employee of Company, you are required to inform us when you receive any traffic citations or convictions including alcohol related motor vehicle convictions to which you are found guilty or plead responsible or guilty.*

**Prohibited Conduct**

*Company prohibits the following:*

- *Use of cell phones or other electronic device while driving vehicles.*

- *Doing any other activity while driving (such as dictating, reading, texting, or eating).*
- *Non-business use of company vehicles.*
- *Reckless or careless driving of any sort.*
- *Operating a motor vehicle on company time while under the influence of any alcohol or drug, excepting prescription drugs which do not impair an individual's ability to operate a motor vehicle.*
- *Operating a motor vehicle owned or leased by the company while under the influence of any alcohol or drug, excepting prescription drugs which do not impair an individual's ability to operate a motor vehicle.*
- *Using a vehicle for an illegal purpose.*

### **Rental Vehicles**

*It may become necessary to rent a vehicle for use while on company business. If this is the case, you will be required to obey all rules and regulations of the rental contract and rental company. If you rent a vehicle in your own name, and an accident occurs, the rental company may look to you for reimbursement of property damage to its vehicle and its loss of profits while the vehicle is being repaired. The company will not indemnify you in this situation, so it is your obligation to purchase the collision damage waiver and otherwise protect yourself.*

### **Violations of Policy**

*If any employee becomes aware of any violation of this policy by anyone, the employee is required to report the violation to the President verbally and thereafter in writing.*

FORM 2.1

**SAMPLE STATEMENT OF DRIVER RESPONSIBILITY**

*As an employee of Company, I understand that I will be required to drive the employer's vehicles while on duty or may need to use my own vehicle to conduct business for Company and that I must maintain a safe driving record for satisfactory job performance.*

*By signing this statement I verify that I have read and understand the Company's Policy on Employee Use of Motor Vehicles on Business Time.*

*( ) I am in compliance with the Company's Policy on Employee Use of Motor Vehicles on Business Time*

*( ) I am not in compliance with the Company's Policy on Employee Use of Motor Vehicles on Business Time*

*If not in compliance, state why*

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*I hereby consent to allow Company to verify this statement through obtaining a copy of my motor vehicle report to be used for an employment purpose not prohibited by law. I hereby release Company from any and all liability that may result from obtaining this information.*

*I understand that determination of safe driving will include annual or periodic reviews of my Master Driving Record on file with the Michigan Department of State or other states.*

*I agree to advise Company of any traffic tickets or other citations or convictions or pleas involving a motor vehicle for which I am found to be responsible, at fault or guilty.*

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*Employee Signature*

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*Employee Name*



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*Employee's Driver's License Number and State*

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*Employee's Date of Birth*

Note: This statement can be used in lieu of the consent form included as Form 5.2. However, it would not replace the requirement of sending a separate disclosure letter (Form 5.1).

FORM 3.1

**SAMPLE POLICY ON USE OF COMPANY VEHICLES**

*Personal use of Company vehicle(s) will be limited to a 100-mile radius during non-business hours. Special permission will be required from the Company for vacation use of company vehicles or for trips over a 100-mile radius.*

*The only person authorized to operate the company vehicle is employee unless another is specifically authorized in writing by Company.*

*It is expected that employee will comply with and respect their driving privileges by driving safely and taking proper care of the vehicle assigned to employee.*

*Any personal use of a Company vehicle except as specified above will be considered unauthorized use and is prohibited.*

*Employee is responsible for following all of the manufacturer's recommended maintenance schedules to maintain valid warranties and for following the manufacturer's recommended oil change schedule.*

*Employee is responsible/or reporting all accidents to the Company immediately in writing and notifying the appropriate authorities at the time of the accident.*

*I have read and understand a copy of this Policy Statement and agree to abide by it.*

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*Employee Signature*

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*Vehicle Assigned*

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*Date*

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*Vehicle Identification Number*

# FORM 4.1

## Driving Record Sample

Michigan Department of State  
BUREAU OF BRANCH OFFICE SERVICES  
Request Report

Page 1 of 1

Record Run Date: 08/14/2006 08:10:48 IP ID: 281615260SMFBR25

Transaction Type: See Below #1

Date of Birth: 05/28/1952 Gender: F Height: 5-04 Weight: 125 Eye Color: BLU

County Code of Residence: 14565 STATEST License Type: See Below #2 Registered to Vote: 78 Restrictions: VO TER CORRECTIVE LENS

Year License Expires: 2008 Date of Last Application: IMAGE

Photo Image on File: IMAGE

\* THIS DRIVER HAS NO P R I O R S O 4 MANDATORY ADDITIONAL VIOLATIONS OF  
 \* SUSPENSION/REVOCATION OR 625 ALCOHOL RELATED CONVICTIONS WITHIN THE  
 \* TIME FRAMES REQUIRING PLATE CONFISCATION.

Jurisdiction / Court	Conviction / Action	Vehicle Type	Active Points
03/23/1999 LAP EER	05/19/1999 DISOBEY STOP SIGN - PU		
04/01/2002 LAP EER	03/02/2002 SPEED 6065 - PA	2	
10/29/2002 STERLING HEIGHTS	09/19/2002 FAILED STOP WITHIN ASSURED CLEAR DISTANCE - PA	2	
	11/22/2002 DRIVER IMPROVEMENT CORRESPONDENCE		
12/24/2002 SUSPENSION	09/19/2002 FCJ#692421 STERLING HEIGHTS FAILED STOP WITHIN ASSURED CLEAR DISTANCE		
05/14/2003 SUSP TERMINATED	09/19/2002 731-2621 STERLING HTS PD 4 VEH/UNIT 1 INJ D KILLED		
ACCIDENT			

\*\*\*\*\* END OF RECORD HISTORY \*\*\*\*\*

License Valid to Drive: LICENSE VALID DRIVING STATUS: ELIGIBLE - CLEAR RECORD

Current Record Status

(ELECTRONICALLY CERTIFIED IN COMPLIANCE WITH MCL 257.204A, AS OF RECORD RUN DATE INDICATED ABOVE)

Note: Insurance companies may calculate "points" in a different way than the Department of State.

#1 Transaction Types:  
 R - Renewal    O - Original    D - Duplicate    C - Correction

#2 License Types:  
 O - Operator    C - Chauffeur

For more detailed information about interpreting driving records, please visit our Web site at:  
[http://www.michigan.gov/documents/howtoaddr\\_19352\\_7.pdf](http://www.michigan.gov/documents/howtoaddr_19352_7.pdf)  
 or contact us at 888-767-6424  
 SOS-407 (1/05)



FORM 5.1

**SAMPLE NOTICE OF OBTAINMENT OF CONSUMER REPORT**

*Pursuant to the Fair Credit Reporting Act, we are providing this notice that a consumer report, in the form of a driving record will be obtained by \_\_\_\_\_ (employer) for employment purposes. Attached is a summary of consumer rights under the Fair Credit Reporting Act.*

\_\_\_\_\_  
*Signature of Corporate Officer*

\_\_\_\_\_  
*Date*

A letter solely referring to the above should be sent to an employee or applicant for employment prior to requesting the motor vehicle report. The Fair Credit Reporting Act requires that this disclosure be provided to the employee or applicant as a separate document.

\_\_\_\_\_  
\_\_\_\_\_

FORM 5.2

**SAMPLE AUTHORIZATION TO OBTAIN MOTOR VEHICLE REPORT**

*I, \_\_\_\_\_ (applicant or employee's name) hereby authorize Company to obtain a copy of my motor vehicle report for employment purposes not prohibited by law, both now and from time to time as Company deems necessary. I hereby release Company from any and all liability that may result from obtaining this information.*

\_\_\_\_\_  
*Employee Signature*

\_\_\_\_\_  
*Date*

A consent form similar to the above should be signed by all employees or applicants for employment prior to obtaining a motor vehicle report. If written consent is refused, the motor vehicle report may not be obtained by the employer but still may be obtained by an insurance company. However, insurance companies can no longer provide commercial insureds with copies of the motor vehicle reports.

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<sup>i</sup> U.S. Department of Labor, Bureau of Labor Statistics

<sup>ii</sup> "10 Facts Employers Must Know - For Any Organization With Employees on the Roadway," Network of Employers for Traffic Safety

<sup>iii</sup> "10 Facts Employers Must Know - For Any Organization With Employees on the Roadway," Network of Employers for Traffic Safety

<sup>iv</sup> Michigan Lawyer's Weekly, 2008

<sup>v</sup> MCL 500.5135(1)

<sup>vi</sup> MCL 257.625(9)(c)

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