

Drivers Negligence Insurance

This guide is designed to help you understand Drivers Negligence insurance.

What does it cover?

It contributes to the cost of repairing a vehicle that has been damaged by the temporary worker placed by a recruitment agency.

The cover is not intended to replace motor fleet insurance, as all third-party damage is excluded. The cover is there to pay a certain amount towards a hirers motor fleet excess, or in respect of small amounts of damage, to enable the hirer to repair their vehicle without having to make a claim on their motor fleet insurance.

Drivers Negligence is a specialist insurance which is generally only available with specialist policies or schemes.

Who is it for?

This insurance has been specifically designed for recruitment agencies that place temporary drivers with hirers. Most recruitment businesses that provide temporary drivers will be contractually required to have Drivers Negligence insurance in place.

How are you covered?

Drivers Negligence is generally available as an extension to the Public Liability section or as a separate section of cover.

Drivers Negligence is available on either a 'claims occurring' or 'claims made' basis (which decides the insurer who pays a claim). On a 'claims made' basis, the insurer that is on cover at the time of the claim being made will be liable for the claim; on a 'claims occurring' basis, the insurer that is on cover at the time of the claim occurring will be liable for the claim.

Claims occurring is preferable as this will be less likely to leave gaps in cover should you switch insurer.

Limits and excess

The limit of indemnity most often referenced in hirer contracts is any one claim (where is it often required to have cover for £10,000 per incident). However, Drivers

Negligence policies will usually show two limits of indemnity:

Any One Claim limit

This is the amount the insurer will pay for each incident.

Any One Period of Insurance (Aggregate) limit

This is the maximum the insurer will pay out in total during any one period of insurance.

The excess is the amount that you must pay towards the settlement of a claim. If agreed by the hirer, the recruitment agency may pass this excess on to the hirer, so when a claim is made by the hirer, the excess will come out of the settlement amount

Vehicles and drivers

You can insure any road licenced vehicle; however, some insurers will restrict the cover to HGVs only.

Insurers will restrict the drivers on this policy based on age, experience and convictions. Common age restrictions are drivers over 21 or drivers over 25 (though this limit may be lifted by agreeing a higher excess on younger drivers). Most insurers will require drivers to have held a licence for at least two years. The convictions or points allowable varies by policy; it's best to get the widest cover possible to avoid claims being refused if a driver gets a conviction.

Need help?

If you need help with insurance or risk management, speak to your insurance broker.