



*Insurance  
Adjusters*

December 27, 2016



# **BULLETIN**

---

## **A-One Commercial Insurance Risk Retention Group, Inc. Backup Drivers/Team Drivers**

Southland Claims Service, Inc., A-One's contracted claims department, will periodically produce bulletins to alert agents and insureds to claim situations that could lead to difficulties for all parties to the insurance contract.

Earlier in 2016, A-One Commercial Insurance Risk Retention Group, Inc. began complying with requests and issuing a "Backup Driver Endorsement".

This endorsement provides an insured with the opportunity to add a non-scheduled driver to the policy without a premium charge.

The "trigger" for coverage to apply to the back-up driver is when a driver on the Scheduled Driver Endorsement is not available to work.

We have seen several claims lately where the insured vehicle is operated by a "backup driver" and is involved in a traffic accident. During our investigation, it has been alleged the driver on the "Scheduled Driver Endorsement" is unavailable to work because of the limitation of hours worked. Often times, the unavailable driver is in the cab with the backup driver.

This situation is clearly an attempt to have additional drivers on the policy without any premium cost.

The Backup Driver Endorsement is very clear; and to quote:

*In the instance such drivers are found to be riding together or driving the same truck in shifts, it will be that "team driving" is taking place and the terms and conditions of Team Drivers Endorsement (A-One4003) will apply.*

*"Team drivers" means a team of two or more drivers who ride together and drive the same truck in shifts, essentially allowing the truck to remain in motion almost constantly.*

This situation can lead to coverage declination and denials subjecting an insured to the responsibility for the entire claim.

Also, if it is determined that a backup driver was added to the policy to avoid a premium charge, the activity may be considered as a “Material Misrepresentation” and premium fraud. This allegation would require reporting to a state Department of Insurance as a suspected fraud.

Please be mindful of this situation, as we all grow and profit by being associated with A-One Commercial Insurance, Risk Retention Group, Inc.