



LaurentianUniversity
Université**Laurentienne**

TO: All Departments, Faculty and Staff

FROM: R.F. Coutu
Director Risk Management and Purchasing

DATE: November 20, 2008

SUBJECT: *Insurance Responsibility for Short Term Vehicle Rentals*

It has come to our department's attention that individuals are renting vehicles and using the University name on the rental agreement who are **NOT** Laurentian University employees. This is a liability exposure to the university and an added insurance cost.

As communicated by memorandum in April 2007, Bill C18 makes the person renting vehicles in Ontario, "first in line" to pay in the event of an accident resulting from the negligent use or operation of the rented/leased vehicle. Prior to Bill C18, the Leasing or Rental Company (the owner of the vehicle) was the first to respond to a similar incident.

When renting a vehicle in Ontario, this legislation puts the primary responsibility for Third Party Liability directly on the Renter of the vehicle – not the Rental Agency. Even though the Renter does not own the vehicle, the law now imposes Vicarious Liability for the negligent operation of the rented vehicle.

To address the changes Bill C18 has made to Vicarious Liability, the University has made arrangements to be the PRIMARY or "first in line" when the driver is on University business (i.e. acting on behalf of the University). In order for the University to be primary, the driver **MUST** ensure that "Laurentian University" is included as the name of the "Renter" on the Rental Contract.

In order to address the non-employee issue, effective immediately, please confirm your employee status when renting a vehicle, you can use your Scotia Bank VISA Commercial Credit Card or valid University Identification (Photo ID, Business Card or Drug Card, etc.). For volunteers or students driving on behalf of the university, please use an under \$1,500 purchase order.

If you have any questions please do not hesitate to contact David Canniff, Assistant Manager of Risk Management at extension #1534, DCanniff@laurentian.ca or myself.