

LENDING OR RENTING CHURCH/SCHOOL VEHICLES

Many groups and/or organizations may ask to borrow or rent your church/school vehicle.

Major church insurers suggest that you **do not loan or lease** your vehicles. They simply suggest that if you want to help, assist them financially in leasing or chartering a vehicle from a rental agency rather than running the risks associated with loaning your church/school vehicle.

If you choose to loan or rent your church/school vehicle, here are some issues to consider:

- Your church/school **may be held fully liable** for damages caused by the negligent operation of the vehicle.
- The church/school policy covers you and your church/school, but **may not** adequately cover the user-group outside your church/school. The vehicle user-group may assume that it has complete liability protection under your policy.
- If the user-group damages your vehicle, it most likely **will expect your church/school** to turn in the damages under your insurance rather than pay the damages out of its own pocket.
- When you loan your vehicle, you **lose all supervisory control** over who may drive the vehicle and how it is operated and maintained.

The wisest practice is **not to loan or lease** your church/school vehicle. If you do, however, here are some basic guidelines you should follow:

- Check with your insurance agent to **verify coverage** provided by your insurance policy for such exposure.
- Specify in writing **who will be responsible for damage** to your vehicle before you loan or lease. If the user-group agrees to be responsible, it should purchase primary physical damage protection. This coverage should be verified on a **certificate of insurance** furnished to you.
- Outline your requirements to the user-group regarding **who may operate your vehicle and under what conditions**. For example, make sure the driver has a valid driver's license, a good driving record and experience operating your type of vehicle. You may request a "motor vehicle record." **Preferably the owner of the vehicle would furnish its own driver.**
- Don't loan a vehicle that is **not in top mechanical condition**.
- Don't lease your vehicle for hire without checking on laws governing vehicles operated for the purpose of transporting passengers for hire.
- Make sure the vehicle **will be used for church/school activities**. If used for some other activity or commercial purpose, it may void or limit your coverage.