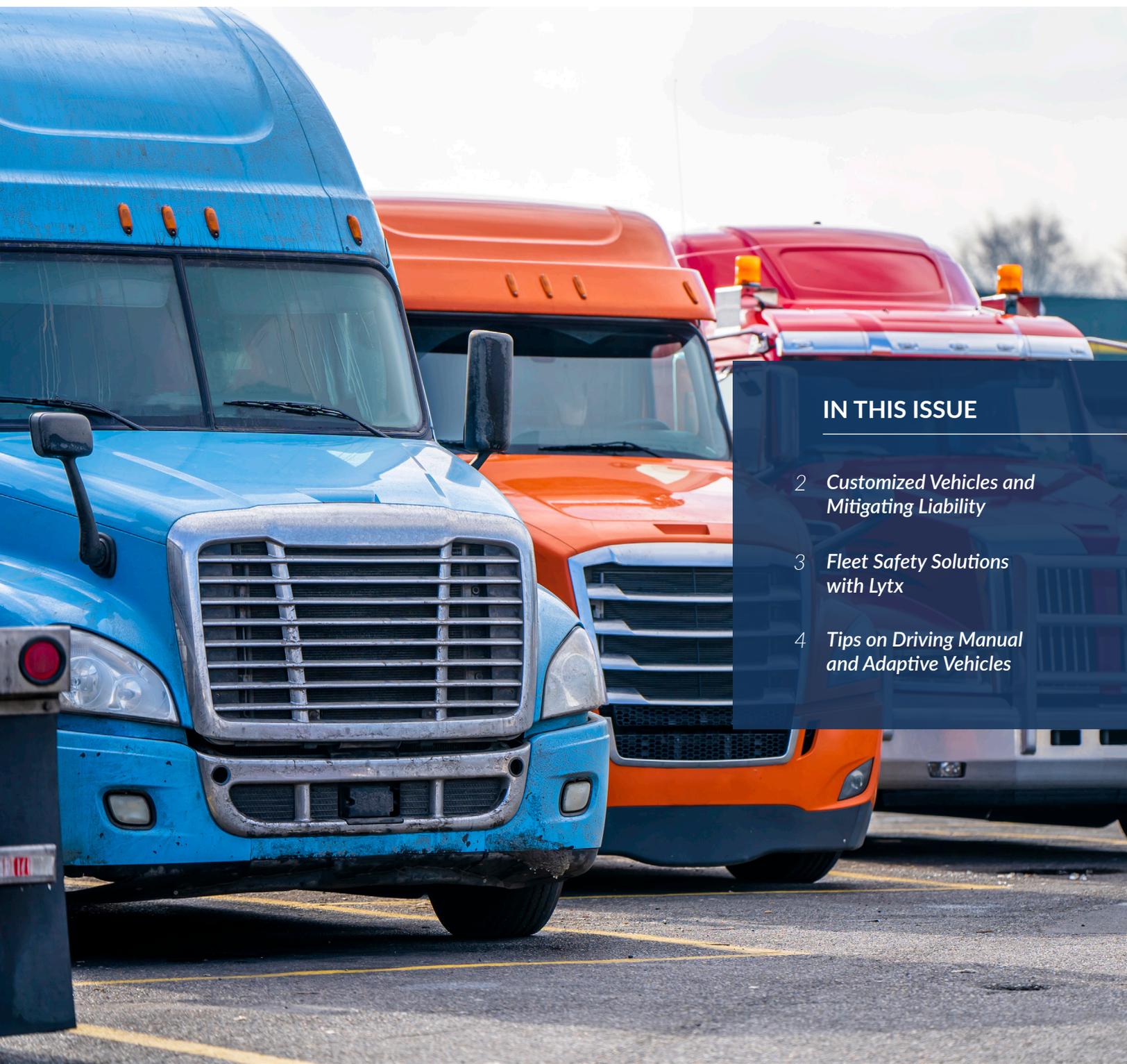


# SAFETY GAZETTE

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## IN THIS ISSUE

- 2 *Customized Vehicles and Mitigating Liability*
- 3 *Fleet Safety Solutions with Lytx*
- 4 *Tips on Driving Manual and Adaptive Vehicles*



## Customized Vehicles and Mitigating Liability

by Dewayne Reeder, Loss Control Specialist

Customized vehicles are nothing new, but as of late, have been taken to a higher and sometimes extreme level. Custom modifications to any and all types of vehicles in the auto dealership industry are often viewed as the path to the higher profit sale and the elusive connection with the affluent consumer – just watch any one of the vehicle reality shows. The aftermarket modification can range anywhere from a glittery shine, to substantial alterations to the engine performance, suspension lifts and structural components. Unfortunately, many of the modifications are completed with little evaluation to the impact of the vehicle's safety performance or the liability created.

Sometimes modifications don't always work as planned. Many cause or influence an accident that results in a claim. We see significant claims every year that involve vehicle modifications. Lift kits change the center of gravity, the length of the wheelbase and the performance at highway speeds. Tire upsizing can impact brake performance, acceleration, and drive train durability. Engine and control module changes can certainly increase performance, but many modifications may void the manufacturer's warranty which also may lead to assuming significant liabilities normally attached to the manufacturer. So, that simple add-on or upgrade may create a significant increase in liability.

Limiting accessories and modifications to those provided by the manufacturers may limit an increase in liability. Most manufacturers provide multiple design upgrades, accessory parts, or approved secondary parts



to modify a vehicle. These approved items and methods have been designed and tested to maintain the overall performance of the vehicle within its designated range. Documented evidence of what additions were installed by a qualified technician can dramatically limit the increase of liability.

Modifications outside of the manufacturer's provisions using non-approved secondary market parts must be evaluated with the scrutiny of a vehicle manufacturer. In order to defend a claim involving a modified vehicle, extensive and accurate documentation is needed, including:

- Evaluation of national vehicle safety standards, federal, state, and local laws
- Proof of the modifications, origin of the parts used, and the qualifications of who made the modifications
- Proof of training, orientation, and notice of modifications provided to the customer
- Repairs made to the vehicle during any post sale service
- Records maintained for years past the life expectancy of the vehicle

Using a third-party vendor to complete vehicle modifications may create some separation from the liability. The third-party must be able to demonstrate the practices discussed above and need a strong valid contract with the vendor. The contract will require a legal review for effectiveness of proper protection, several state-specific elements as well as insurance provisions that include additional named insured status. Also, the selection with critical component supplies should be arranged.

Vehicle modifications can create the perfect fit for the customer, but in some cases can also create the perfect nightmare. IAT Loss Control can help evaluate the possible impact of modifications currently made and those made in the past. Evaluation steps can be taken to reduce the impact of possible future claims.

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\*This is a limited-time promotion only valid for new Lytx clients. To qualify for this promotion, a fleet must purchase service for at least ten vehicles and sign at least a 3-year service agreement. Number of months of free services assumes units ship within two months of order and next three months of services are free. If units ship more than two full months after order placement, the period of free service will not be extended. Promotional offer good through December 31, 2020. Cannot be combined with other offers.

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## Tips on Driving Manual and Adaptive Vehicles

by Orlando Gutierrez, Senior Loss Control Representative

Does your staff know how to drive a manual transmission automobile? As of 2016, only 18% of Americans knew how to drive a manual car, especially among the younger generations. Although fewer manual transmission automobiles are produced each year, manufacturers continue to come out with several models that have the stick shift option.

What about adaptive vehicles? An adaptive vehicle is an automobile that is retrofitted for use by someone with a disability or restriction. The vehicle can have hand-controlled devices installed for accelerating or braking, modification to the foot pedals, or wheelchair access installed if needed. There are several ways these vehicles can be modified which can change how the vehicle is operated.

It is important that dealers ensure the appropriate staff is properly trained in the use of these vehicles. These individuals include but are not limited to porters, valets, technicians, sales staff and detailers. Anyone who drives a vehicle as part of their job duties should be trained to drive these types of vehicles. It is more common to see manual vehicles at a dealership, but several can specialize in the sale and maintenance of adaptive vehicles or will have them brought in for service like any other vehicle.

If employees are not trained properly or familiar with how to operate a manual or adaptive vehicle, someone driving the vehicle can lose control and potentially cause a severe accident. Aside from training the appropriate staff, it is equally as important to create an environment that allows the employee operating the vehicle to ask for help.

Below are a few tips for adaptive mobility dealers, or businesses that may sell or conduct service on the vehicles:

- Provide training to all staff on how to drive/operate a mobility vehicle
- Ensure all technicians have the appropriate accredited training/certification to conduct installation and maintenance on adaptive equipment
- Keep technician training/certification current
- Maintain detailed records of all adaptive work for at least seven years that are specific to a customer vehicle for traceability and future reference

For more information on adaptive vehicles, please visit the National Highway Traffic Safety Administration (NHTSA) at [www.nhtsa.gov](http://www.nhtsa.gov), or the National Mobility Equipment Dealers Association (NMEDA) at [www.nmeda.com](http://www.nmeda.com).



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