

NOBLE NANNY

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A substantial number of families call our agency requesting that a nanny have a car of her own. Unfortunately, even when a nanny has a car of her own, she should not be using it for her work duties. Below is an excerpt from an article by John L. Lewis, Esq., an attorney that specializes in personal injury, workmen's compensation and automobile liability issues. The entire article was published in INA Vision, 12/ 96.

Automobile insurance provides coverage for family members who cause injury or property damage while driving an automobile. Automobile accidents are probably the most common type of claim against a nanny and her family, so it is important to understand who and what is covered. In most states, an automobile insurance policy covers a particular automobile and any other automobile operated by the named insured or members of the named insured's family. Unfortunately, there are many exclusions and exceptions. A nanny is probably covered while she is driving the family's automobile, but to be safe, the family should name the nanny as an additional insured. This is particularly important in those states where there is an extra premium for young drivers and the nanny is under that age.

Since a nanny is not a family member, she is not covered by the family's automobile insurance when she is driving her own car. This can be a problem if the nanny is in an accident while driving on family business. The law considers an employer to be liable for an injury caused by an employee while doing their work. This is called "vicarious liability." The family's automobile insurance will not cover vicarious liability and the family can be held personally responsible for paying any damages. Therefore, either the family should not let the nanny use her own car while she is working or, if she will be using her own car, the family should make sure that the nanny has adequate coverage at least equal to the family's automobile policy.

Additionally, if the nanny is driving her own automobile as part of her job, then the nanny's own insurance may not provide the coverage for an incident. Automobiles that are used in work or business are assumed to be on the road more and therefore they are more likely to be in accidents, so an automobile insurance policy that provides coverage for business use has a higher premium. A nanny who regularly drives family members (read children) as part of her duties may find that this is considered a business use and that she has no coverage for an accident- if it occurs while she is providing transportation as part of her job, especially if she is paid extra for things such as gas or mileage. In order to be safe, the nanny should check with her insurance agent about including business use in her automobile insurance policy. Usually, the premium difference is not very great."

In summary, the family that has a nanny drive her own car for work is literally assuming the total insurance risk under the laws that govern vicarious liability- unless proper coverages are arranged. It is much wiser therefore, for the family to provide a nanny with the car to use as it reduces substantially problems that arise regarding costs of maintenance and replacement parts, and other things that are part and parcel of using a vehicle other than gas expenses, and the family can be fully protected.

Signature _____ Date _____