

GIIG will always be an advocate for ministries. Therefore, we understand the value in ministries lending and borrowing one another's vehicles.

However, *your insurance plays a prominent role in these activities.*

The reason 'why'

In order to provide you the most competitive premium – your insurance company carefully analyzed the intended use of your vehicles within your ministry functions *and* the drivers that you allow to operate your vehicles.

When your vehicle is lent out – *because your insurance remains the primary coverage on the vehicle* – the company is responsible for activities and drivers for which it has no familiarity.

What insurance companies advise

For these reasons and as a mechanism to keep insurance premiums lower - insurance company guidelines discourage this practice.

Potential issues

- If a vehicle is lent out and a claim occurs, the risk the ministry will face is a potential premium increase, and in some cases the policy non-renewed.
- Insurance follows the vehicle, therefore, you may be held fully liable for any damage caused by the negligent operation or maintenance of the vehicle by others.
- Your insurance policy may not adequately cover others outside your organization.
- Any damage done to the vehicle while in the possession of another party may result in the other party paying for this damage out of their own pocket or own insurance, if the organization has such coverage.
- It is recommended a written agreement – prepared after consultation with an attorney – be specified with the user of the vehicle, recognizing them as bearing responsibility for damage to your vehicle, as well as other points of understanding; such as
 - o Ensure the agreement makes the user responsible to defend, indemnify, and hold your church harmless for any losses arising out of their use of your vehicle.
 - o Ensure the agreement specifies that the user is responsible for purchasing special liability and vehicle damage protection to cover damage to your vehicle.

This document is not intended to be used in lieu of legal counsel.