



Controlling Losses at Auto Dealers

Franchised Auto Dealers Insurance Program

Please review this handy checklist – items that you mark NO are a signal to make changes or corrections which could help your business increase safety and control property and casualty losses.

	YES	NO	N/A
Property			
Are major areas, such as the shop, showroom, and spray painting area (if applicable) isolated by fire walls from the remainder of the building?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are fire doors, if present, fully operational?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there a contract service for waste-oil pick up?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If dealer is a recycling center for car batteries, are they safely handled?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are safety-type parts cleaners, with self-closing dip-tanks on fusible links, used for parts cleaning?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are undercoating/rust-proofing operations conducted in an area with good ventilation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is fuel drained from gas tanks kept in approved safety cans?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are gasoline pumps at least 50 feet from the building and protected from accidental damage by vehicles?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are approved safety cans with self-closing lids provided for oily, solvent, and/or paint-soaked wiping rags?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is smoking prohibited in the garage/shop area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are electric extension cords and lights of the proper type and in good condition?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are trash containers covered with metal lids and emptied frequently?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are outside trash dumpsters safely located away from the building?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Security			
Is night lighting, inside and out – which includes the building exterior and lot – satisfactory?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are building entry points well illuminated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are exterior doors secured by double-cylinder locks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If the door has glass that can be broken, do the locks require a key inside and out? <i>Such arrangements must be approved by fire department authorities for life-safety purposes.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are exterior doors alarmed and/or equipped with panic hardware?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Continued

	YES	NO	N/A
Are overhead doors properly secured with bolts or padlocks inserted through the track rails to prevent unauthorized/after-hour use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are pre-placement background checks made of employees who handle cash?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are the security measures and alarm system adequate based on stock value and address prior loss experience?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Workers' Compensation			
Are safe lifting techniques emphasized for all employees? Are mechanical aids used for material handling when possible?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are slip/fall hazards controlled?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are hand and portable power tools inspected regularly? If repairs are necessary, are they removed from service until completed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has a hazard assessment been performed to determine the required personal protective equipment (PPE) for eyes, face, hands, feet, etc.?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is ventilation provided for vehicle exhaust while engines are running inside the buildings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are vehicle hoists maintained and equipped with guards to prevent vehicles from shifting or falling?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there a formalized safety program in place and supported by all employees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there an effective safety committee in operation and do they perform regular safety inspections of the workplace?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there an accident investigation procedure with follow-up recommendations implemented?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is a written hazard communication program in place and include training and review of Material Safety Data Sheets (MSDSs)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General Liability			
Is the general condition of interior and exterior walking surfaces, including showroom floors, driveways, lots, repair shop, and customer waiting areas, in good condition?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are non-skid surfaces or non-slip floor finishes used on steps and in high-traffic areas? Are there procedures in place to control wet/slippery floor conditions in high-traffic areas during inclement weather conditions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is ice and snow removal conducted adequately during winter months?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there a policy of having sales representatives or repair personnel accompany customers while they inspect vehicles or take demonstration rides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Auto Painting Operation			
Are low-flash-point, flammable thinners, reducers, or solvents (lower than 100° degree F) used in paint mixing and/or clean-up safely handled and stored?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Continued

	YES	NO	N/A
Are Underwriters Laboratories- (U.L.) or Factory Mutual- (F.M.) listed metal cabinets used for amounts up to 60 gallons? Are 55-gallon drums of flammable liquid properly grounded? If drums are arranged horizontally for gravity dispensing, are they equipped with approved self-closing faucets?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are thinners, reducers, solvents (but not paints), and other flammable liquids kept in approved safety cans?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is any painting of a surface area larger than 8 square feet (the size of a door or fender) done in an approved area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are <i>NO SMOKING</i> signs posted wherever flammable liquids or mixtures containing them are sprayed or stored?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are spray areas at least 20 feet away from potential sources of ignition, including flames, sparks, non-explosion-proof lights, motors, and switches?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the equipment outside the immediate spray area, but within 20 feet horizontally and 10 feet vertically, rated for Class I and II, Division 2?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are these areas kept clean and free of combustible materials and residues?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is mechanical ventilation provided and used to remove vapors during spraying operations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Garage Keepers Liability			
Are key control procedures in place and enforced for all vehicles, including lot inventory, customer drop-off, and finished/repared customer vehicles?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there adequate space, aisles, and driveway for maneuvering in the shop area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are procedures and signs in place restricting/prohibiting customers in the shop?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Products Liability			
Are training programs provided for mechanics and shop supervisory personnel to maintain their level of experience?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there a program of road testing and final inspection after the repair of vehicles?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Auto			
Are Motor Vehicle Reports (MVRs) obtained for all employees operating customer or dealer vehicles?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the experience and ages of all drivers with access to vehicles owned by, or in the care, custody, and control of the dealer, carefully evaluated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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