

**Plant Peddlers, Inc.
1107 Split Oak Road
Willow Springs, MO 65793**

NO PASSENGER POLICY

Although the Federal Bureau of Motor Carrier Safety Regulations distinguishes between unauthorized and authorized passengers, the latter being permitted, the courts hold the motor carrier liable for ALL passengers in the equipment. Changes in state laws are becoming more permissive in the area of passengers suing drivers, for injuries, with the ultimate responsibility on the motor carrier. Recent changes in inter-spousal/inter-family immunity even allows for children suing a parent or a wife suing a husband. When it comes to a courtroom situation, juries are very sympathetic to the injured party especially when the defendant is a company that is mandated to carry substantial liability coverage.

Many motor carriers have authorized passengers and included a release statement or hold harmless clause in the authorization. Insured should be advised that this type of general release will not stand up in court. The arguments are mainly that the release is too broad and the passenger is not completely aware of the risk he/she is taking or what future damages he/she might be waiving. Some carriers have gone to a more specific release where the passenger acknowledges the possibility of various named injuries or even death. However, this type of release also failed the court test in that the monetary value of the ride is not considered adequate compensation for settling the claim. Overall anticipatory releases of liability signed by the passengers are worthless.

It has been our experience that settlements of claims for injuries to passengers are very high, even when compared to the generous Workers' Compensation benefits provided for the same injuries to an employee. Also, insured should be advised that they are prime candidates for punitive damages, which are not covered by insurance, when they have passengers injured in an accident.

The above reasons are why this company has a "NO PASSENGER POLICY". Anyone found transporting passengers will be terminated immediately.

I have read and understand the above policy:

Signed By Driver

Date

Witnessed

Date