



Comp Coverage and the Company Car – Not a “Lock”

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An accident in the company car usually entails workers compensation coverage and benefits for the driver. However, coverage is not automatic, at least in the Commonwealth of Kentucky. More and more employers and their carriers are mounting challenges to such coverage, and the facts of each case are crucial.

As a rule, there is no comp coverage for an employee who is on the road between home and work. That maxim is often called the “going and coming” rule – no workers’ comp while going to or coming home from the office or job site. Like many maxims, though, there are exceptions, and one is the use of a company vehicle.

Many states, like Ohio, grant comp coverage for almost any accident in which a worker drives a company vehicle, or where the company makes a substantial payment toward travel expenses. Kentucky is not one of them. In Kentucky, to obtain coverage, the worker must prove that use of the company vehicle “is of some benefit to the employer,” other than simply going to or coming from the workplace.

The rub lies in what, exactly, constitutes a use that is “of some benefit” to the employer. The court cases usually find in favor of coverage, but not always:

- **Coverage** – The employee died on the way home in the company truck, after his work day was over. He also used the truck during the workday to travel to job sites. The company paid for all fuel and paid the employer for time spent traveling. The company fought the claim by contending the truck was mainly a perk or bonus. However, the court found use of the truck allowed the worker to begin duties earlier, to remain productive longer, and avoid stops at the main office. Since this provided the company a benefit, there was coverage
- **Coverage** – The worker was on call at all times, would often work at night, and sometimes be called back to work before reaching home. He was on his way home from the office, and not from a job site, but was injured in an accident. The court ruled his overall use of the vehicle provided a service and benefit to the employer, and thus there was coverage.
- **No coverage** – The worker was on a purely personal errand in the company vehicle, driving outside his usual route home to pick up groceries. The judge found no coverage.
- **Coverage** – The worker was on a dual-purpose trip in the company vehicle. The worker was going to lunch, then on a personal errand to the bank, then to visit a client. She died in a wreck. Her bank deposit slip was found in the wreckage. A judge found there was coverage because the deposit slip provided evidence that her personal errands had ended.

These cases were decided after months and even years of hearings, motions and appeals. In the meantime, medical bills and lost wages most likely accrued. Whether one agrees or disagrees with Kentucky’s legal position, workers’ comp litigation involving the company car is often a demolition derby.