



## DEALERSHIP INFORMATION BULLETIN

### Loss Prevention Advisory – “Best Practices” Information

#### HIRING PRACTICES

Good hiring practices will reduce the possibility of loss. The following information is offered to help dealers insured by Ally Insurance in either of its automobile dealer physical damage insurance programs. A comprehensive approach to hiring developed with an attorney familiar with the dealer’s state’s labor laws can prevent the hiring of problem employees, poor performers and security risks.

A written application, reference checks, credit report, drug screen, criminal background check, motor vehicle record check, an interview by the hiring manager, multiple interviews by other managers and an administrative control are the tools of the hiring process.

#### **Oversight of the Hiring Practice:**

- Conduct a consistent screening for all job applicants in a controlled manner.
- A human resource or similarly qualified person should direct and monitor the screening process. This job should never be left to the manager hiring the employee. This resource should provide “start to finish” guidance as a quality-assurance measure, avoiding premature hiring of an individual before the results of all appropriate screens have been gathered and thoroughly reviewed. Following this procedure also helps to achieve compliance with EEOC guidelines.

#### **Written Job Applications – This should always be required for the following reasons:**

- The application serves as a permanent record documenting inquiries regarding employment, which can be critical in establishing fair employment practices and resolving EEOC and immigration issues.
- The application serves as the central repository for all personnel information provided by applicants. This prevents applicants from claiming that the dealership misunderstood information the applicant provided verbally.
- In the unlikely event that the applicant is using the interest in employment to gain more information about the security at the dealership, the written document could discourage a potential thief.

#### **Credit Checks:**

- A credit check performed early in the screening process will verify the information provided on the application. If the information does not match discrepancies can be resolved with the applicant. Strong candidates will have background information that is consistent with the application. The information can also be of assistance in conducting more accurate and effective criminal history searches.



- Be sure to follow the guidelines set forth in the Fair Credit Reporting Act and seek the advice of legal counsel.

#### **Reference Checks:**

- Prospective employee references (both personal and professional) should always be verified.
- Revealing facts can emerge from simple telephone inquiries. Even in the absence of hard facts non-verbal cues such as tone of voice, demeanor, conversational context, etc. can provide information.

#### **Drug and Alcohol Screening Tests:**

- Drug and Alcohol screening tests are important tools. They identify candidates with drug and alcohol problems prior to hiring.
- Applicants for all positions should be screened. All employees have a potential impact on a business's public image, security and safety. It is always easier not to "hire a problem" that to eliminate one already on the payroll.
- Applicable state law, as well as expert legal advice should be consulted prior to implementing drug-screening policies.

#### **Criminal Background Check:**

- Criminal background checks should be performed on all applicants prior to an offer of employment.
- FBI statistics reveal that the overwhelming majority of all vehicle thefts from dealerships entail some aspect of employee involvement. This fact dramatically reinforces the need for strict hiring procedures for all applicants.

#### **Driving Record Checks:**

- Motor Vehicle Record (MVR) reports should be obtained for every employee.
- MVR reports will show if an applicant has a history of careless operation of motor vehicles. Employers can save thousands of dollars by verifying an applicant's driving record.
- The MVR can be a key to evaluating the kind of performance to expect across all areas of job responsibility.

#### **Interviewing:**

- Multiple interviews by different managers provide valuable tools in developing an accurate and consistent image of applicants.
- The input and perceptions of several managers can aid in identifying character flaws or other personal traits that may prove detrimental the dealership's public image and success.

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1-800-729-4622, Option 4**

This document contains a brief explanation of the insurance. While every effort has been made to insure its accuracy, it is only a summary and does not supersede the terms of the contract between the insured and the insurance company. In the case of conflict between this document and the contract, the contract will govern.

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