



February 1, 2021

Mr. Douglas I. Greenhaus
Chief Regulatory Counsel, Environment, Health and Safety
National Automobile Dealers Association
8484 Westpark Drive
McLean, VA 22102

**ASE Education Foundation Internship Program
Federated Insurance Position — Internship Liability**

Dear Doug:

Thank you for your inquiry regarding the ASE Education Foundation Internship program and the Federated Insurance position regarding issues relating to minors in the dealership workplace.

As communicated previously, I would like to express our appreciation of the educational benefits ASE provides to the dealership community. The educational values represented by ASE are consistent with Federated Insurance values and we remain committed to our support of these goals.

Federated Insurance believes that a well-managed internship program such as those provided by the ASE organization provides long term benefits that far outweigh any exposure presented by the internship program. The program design should include the proper risk management controls to minimize accidents or injuries to the interns as they are minors. These controls should include the following:

- Interns should be subject to the same employment standards in place for all other employees including appropriate background checks, motor vehicle report checks and, if applicable by law and dealership policy, drug testing procedures.
- Minors should be prohibited from operating a dealership vehicle under any circumstance.
- Interns should receive all appropriate new hire training offered to other employees including but not limited to proper handling of flammable liquids, machinery or equipment operations and safety precautions such as lock out / tag out procedures, Safety Data Sheets, and anti-discrimination and harassment prevention training.
- The dealer should ensure their compliance with state and federal labor laws applicable to the employment of minors.

Federated Insurance offers support to insured dealers in all of the above areas and participating dealers should be encouraged to reach out to their insurance carrier for this support.

In situations where a participating dealer offers tours to students, faculty or other groups, a written plan should be developed addressing the safety precautions to be taken for these. The plan should include:

- Assigned dealership individuals responsible for conducting the tours.
- The dealership should ensure that the responsible individuals are properly trained on how to conduct the pre-tour safety check and procedures to be followed when conducting the tour.

- A predefined tour route through the dealership location.
- A written pre-tour safety checklist to be used prior to any tour to identify and correct any possible hazards such as temporary extension cords and other slip/trip exposures. Additionally, the checklist should include confirmation that any area containing non-public customer information or hazards that cannot be eliminated has been properly secured.

Federated Insurance's position remains that with the above safety measures in place, individual dealerships can control the risks associated with participating in these programs. We continue therefore to support and encourage our customers to participate in the ASE-sponsored programs related to interns placed in non-driving positions within their organization.

We appreciate the important role ASE plays within the automotive industry and look forward to continuing our support.

Respectfully,



Nick Lower

Executive Vice President –
Chief Operating Officer

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