

Creating a Fleet Safety Culture

Risk Engineering – Your Business Insurance Specialists



“Compliance with the suggestions herein may reduce the likelihood of accidents or other vehicle failure, but it does not eliminate the potential for these occurrences.”

What is the leading cause of worker fatalities in the U.S.? The answer may surprise you. It's not machinery accidents, exposure to harmful substances, fires or falls. It's fleet motor vehicle accidents. According to the Occupational Safety and Health Administration (OSHA), in excess of 6,000 work-related fatalities occur annually in the U.S. Almost 33 percent of those – one in three deaths – were caused by motor vehicle incidents. And, while 6.3 percent of U.S. workers on average experience an occupational injury or illness each year, organizations can expect 20 percent of their fleet drivers to be involved in a vehicle accident annually, according to the National Association of Fleet Administrators. These statistics should be cause for concern for any organization that places fleet drivers on the road. When it comes to safeguarding employees, OSHA regulations tend to dominate the scene. Companies expend significant resources to train workers about current OSHA regulations and recognize that it takes a concerted effort to ensure compliance. Yet, the same approach isn't always applied to fleet driver safety – despite the fact that a single company may place hundreds or thousands of drivers on the road each day. One reason is a prevailing mindset: Many people think of “traditional” on-the-job accidents – such as explosions or falls from high scaffolds – as catastrophic, while driving accidents are almost viewed as commonplace. Given the high incidence of fleet accidents and their often-devastating consequences, it is vital to minimize drivers' risks. The best way to achieve this is to create an enterprise-wide fleet safety culture. Companies do reap tremendous benefits. They reduce accident rates and, in turn, reduce the incidence of personal injury, property damage, Workers' Comp claims, liability exposure and lost productivity. These companies accomplish such goals by adopting “best practices” for developing a driver safety culture – and by avoiding common pitfalls.

Source: OSHA, Reports of fatalities and incidents for FY 15 (Oct. 1, 2014 – Sept. 30, 2015)

Best Practice #1: Make fleet safety part of the hiring process

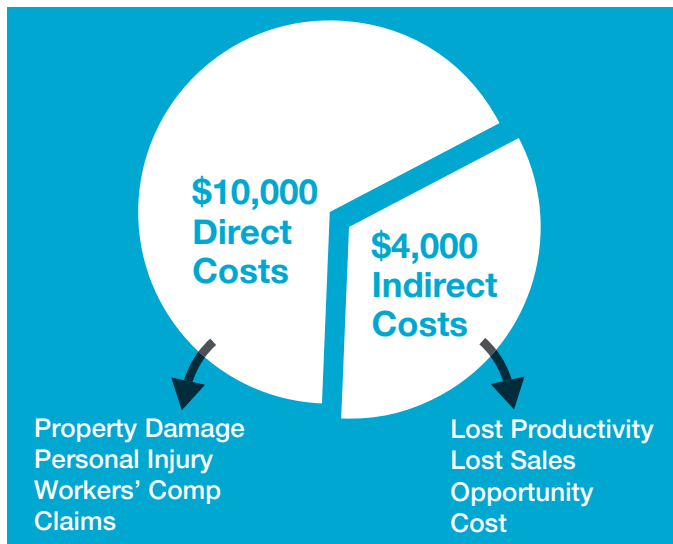
A company's driver safety philosophy should be evident at the start, before a job candidate accepts a new position. Safety conscious organizations require candidates to meet specific safety criteria to be considered for a position that involves driving. Although these criteria vary by company, they usually involve a maximum number of permissible moving violations or accidents for the previous two or three years. Be sure to disclose these criteria to candidates upfront and indicate that you will obtain a motor vehicle report (MVR) to check their driving history. However, keep in mind that any information gathered which affects an individual's ability to obtain or hold a position – including an MVR – is subject to provisions of the Fair Credit Reporting Act. Check with your human resources department to ensure that any driving-related policies or procedures comply with these provisions.



Source: Common Loss Control/Risk Engineering Concept called Pareto's Rule.

Pitfall #1: Relying solely on pre-employment MVRs

Some companies make a good start by requesting an initial MVR, then fail to check the report again. To avoid this pitfall, make it a written policy to check driving records periodically (at least annually) and disclose this policy when extending a job offer. Also, remember that an MVR only reveals reportable accidents – typically those which involve injury or death or require a vehicle to be towed from the scene. To factor non-reportable crashes into the equation, consider requiring employees to report all driving incidents when they occur. It is also important to establish the number of violations or other incidents company drivers are permitted – as well as the consequences for exceeding the limits. As with any employment policy, document these limits in writing and communicate them periodically. Consult your legal department when deciding on any hiring or disciplinary actions or policies.



Best Practice #2: Categorize drivers based on their level of risk

Each fleet is made up of a diverse group of individuals with varying levels of risk. To determine where a company's greatest fleet accident exposure lies and how to minimize it, you must first develop a risk profile for each driver. Most organizations use a combination of moving violations and accidents to arrive at an objective assessment. This entails identifying specific driving incidents that will be tracked and how they will be weighted. For example, you might assess a driver one point for an illegal right turn at a red light, as compared to five points for driving more than 20 miles per hour over the posted speed limit. It is common practice to assess higher points for severe and repeated violations (e.g., three speeding tickets in a 12-month period). If no such system is in place, consider using a third-party source to help develop one, using industry standards as a guideline.

Pitfall #2: Failing to take action based on a driver's risk profile

Simply categorizing drivers based on risk will not reduce a company's accident rate alone. In addition, failing to take remedial action based on risk analysis could expose an organization to liability claims. Despite these realities, some companies take the time to assess drivers' risk, yet never proceed to the next step. Consult legal advice to help reduce your liability exposure.

Best Practice #3: Allocate fleet safety resources based on risk levels

The risk assessment will provide a clear picture of the fleet's composition – and for most organizations; it will reveal a startling fact: On average, 20 percent of the drivers will be responsible for 80 percent of the accidents. By honing in on these high-risk drivers, a company can greatly improve its accident record, minimize risks to employees and maximize fleet safety return on investment (ROI). High-risk drivers tend to fall into different categories of severity, each requiring a different commitment of safety resources. Using the point system as a guide is helpful to establish three levels of risk and develop different interventions for each. For example, for Level 1 drivers (lowest level of risk), provide a driver safety program and test using a cost-effective medium, such as a video or CD-ROM. Level 2 drivers may require a more hands-on approach, such as a behind-the-wheel program. Level 3 drivers likely need individualized attention such as a one-to-one training session tailored to specific issues and weaknesses.

Pitfall #3: Waiting until a pattern of driving risk emerges

Allocating resources based on drivers' records may be an effective practice. However, it only addresses those known to have a history of accidents and violations. It is equally important to address another, less-obvious problem area: new hires. While it might appear wasteful to focus on drivers without a track record of problems, statistics prove otherwise. An accident is most likely to occur during the first 18 months of a driver's tenure with a company. For many organizations, new hires are responsible for 30 to 40 percent of their fleet accidents. The reasons are many: New hires are busy learning about the company's products, services and policies; are unfamiliar with customers and territories; are often driving new vehicles that differ greatly from their personal vehicles; and have a tendency to over-schedule and rush. The result is a high accident rate. To combat this, many organizations require new hires to participate in a driver safety training program within the first few months on the job. Some provide a full-day behind-the-wheel session; some use CD-ROMs and other technology tools to provide training remotely; others require new hires to obtain a driver safety certification, usually by completing a brief tutorial and passing a test. Whatever form it takes, new-hire training should be conducted as soon as possible after employment begins – and particularly before an employee drives a company vehicle.

Best Practice #4: Maintain momentum to sustain results

Companies that build and maintain a fleet safety culture typically see fleet accident rates drop by 40 to 50 percent initially – and 20 to 30 percent on an ongoing basis. Sustaining those results requires a commitment to maintain the fleet safety culture long after the first training session is complete. This can be achieved through regular reminders about driver safety – through newsletters, bulletins and the Internet, for example. To ensure high retention, develop concise, engaging messages that mobile employees can easily access. In addition, include timely, seasonal driving tips that employees can apply in their daily travels. It is also important to continue to deliver driver safety training efficiently over time. Some organizations require all fleet drivers to complete a refresher course every two to three years; many schedule these sessions during regional or national meetings to minimize disruption and costs. More companies are also using technology options such as CD-ROM and web-based refresher programs; both mediums are ideal for delivering safety training, testing and periodic safety updates. Such tools also enable a firm to reinforce the driver safety culture and build new skills without the costs and inconvenience of taking drivers away from their jobs for long periods of time. Finally, an ongoing fleet safety culture requires proper record keeping. Just as it is vital to document safety training and other initiatives that comply with OSHA and FHWA / DOT regulations, it is important to track fleet safety initiatives. Thorough, accurate records help a company assess the effectiveness of specific safety efforts.

Pitfall #4: Failing to get management buy-in

In any organization, managers set the tone for safety, including fleet safety. If managers are prone to poor driving or push drivers to over-schedule, then the fleet safety record will suffer. How can you secure managers' buy-in and involvement? First, include them as participants in any driver training initiatives, especially behind-the-wheel classes. Through first-hand experience, they will become "believers" and will convey a positive attitude about the program to others. Second, include managers in MVR screenings and other risk assessments; if a manager is found to be a high-risk driver, address the risk using the same approach you would with other drivers. Third, teach managers how to conduct an annual "ride along" – s/he rides with a fleet driver during a normal business day and observes his/her driving skills. With proper training, managers can learn to objectively assess those skills, pinpoint problems and recommend improvements.

Best Practice #5: Calculate cost/benefit of fleet safety training

As with any program, it's critical to determine the cost/benefit of fleet safety initiatives. By demonstrating that a well conceived and properly implemented fleet safety program will significantly impact the bottom line, you may secure the management commitment needed to minimize risk on the road. To calculate potential ROI, first determine the firm's current accident rate. Multiply by the total number of fleet drivers to determine how many accidents the company experiences annually. Then multiply that figure by \$14,000 – the average cost of a fleet accident, including both direct and indirect costs. The result is your average annual cost of fleet accidents before launching a fleet safety program. To determine potential savings that can be achieved through a proactive fleet safety culture, perform the same calculations using a lower accident rate. (For example, on average, the rate will drop at least a few percentage points in the early years.) Using a hypothetical fleet of 3,000 drivers and an accident rate of 25 percent, the initial cost of fleet accidents would be \$10.5 million annually. If this firm reduced its accident rate to 21 percent (a modest decline), its fleet accident costs would drop to \$8.8 million – saving \$1.7 million annually*. Weigh that savings against the cost of fleet safety initiatives and you will likely see an opportunity for a high ROI. We recommend seeking professional advice to assist with this.

*Source: <https://www.fmcsa.dot.gov/safety/data-and-statistics/commercial-motor-vehicle-facts-%E8%93>

Pitfall #5: Positioning driver safety training as a punitive effort

Inevitably, some employees will view driver safety initiatives as punishment for "bad" behavior on the road. To erase that stigma – especially when dealing with high-risk drivers – position these programs as proactive, positive efforts designed to protect employee health and welfare. In all communications, emphasize the organization's concern for employees and its willingness to invest in reducing accident risks. To further overcome the punitive mindset, reward employees who maintain a clean driving record. The reward need not be expensive. For example, a brief congratulatory letter from a senior executive can go a long way toward making the point. When drivers achieve significant milestones (e.g., five or 10 years with no violations or accidents), you may want to consider increasing the reward to a gift certificate, a vehicle accessory or even a vehicle upgrade. Whatever the reward, it may help to instill a positive attitude and reinforce the company's safety philosophy.

Conclusion

Given the high incidence of fleet accidents as well as the personal and monetary stakes involved – for both employee and employer – no organization can afford to view fleet driver safety as an option. Much like compliance with OSHA and DOT regulations, a proactive fleet safety program is a vital component of any company's safety culture. By following the same best practices used by industry leading companies, your organization could reduce drivers' risks and protect its most-valuable asset, while driving down the high costs of vehicle accidents.

Driver selection and qualifications

Of primary importance in a successful fleet operation is the driver qualification program. Driver qualification is ongoing and continuous. A serious loss can hurt a small business. Even minor accidents will result in increased insurance premiums.

Remember, if the person you hire may eventually operate one of your vehicles, he must be as good a driver as he is a tradesman.

Written exam

This is one area the small fleet owner usually categorizes as a “waste of time.” However, we suggest you:

1. Obtain information on the driver, and
2. Provide information to the driver

Road exam

We also suggest a road exam. There is really only one way to know if a driver can safely operate your equipment and that is to demonstrate their abilities in an actual driving situation.

Driver training

When a new driver is hired, it is necessary to provide all information the employee will need in order to perform the job. The amount of training necessary will depend on the complexity of the job, as well as the employee’s knowledge and experience. Proper training can potentially change a marginal performer into a company asset. With today’s high cost of equipment and salaries, the old “trial and error” method is an expensive substitute for training. It makes dollar sense to see that an employee reaches his or her potential as quickly as possible.

Driver training varies from company to company. It ranges from no training, to general, informal training, to complete formal training. Different operations require different skills. A full time driver trainer may not be necessary in all operations. Many operations train a driver trainer who will be used only part time when his services are needed.

New employees should be given “initial” training prior to actually starting work. Even experienced drivers have a need for this initial training because there are variations from one operation to another, including different cargos, gross vehicle weight, vehicle specifications and operations.

The following areas are suggested for all training programs, whether formal or informal.

- **Company rules and policies** should be provided to each employee, in either a booklet or mimeographed form.
- **Equipment familiarization** is necessary to help minimize maintenance costs. With the variety of engines, transmissions and rear ends available today, it makes good sense to train drivers for maximum efficiency. All special equipment and devices should be demonstrated and understood.
- **Emergency procedures** should be established to deal with:
 1. Accidents and
 2. Mechanical breakdownsEach unit should be provided with an accident report kit and flares (triangles).
- **Defensive driving techniques** should be evaluated during the new-employee test drive. Any bad habits should be corrected prior to a driver’s first trip. In-vehicle training is necessary to change any negative habits or attitudes.

Preventive maintenance

We recommend a preventive maintenance program be established to cover all machinery, vehicles, and rolling stock (all different types of equipment). Suggested areas of concern should be:

- Proper reporting of equipment defects.
- Procedures to correct unsafe conditions.
- Procedure for authorizing shutdown of defective equipment.
- Maintenance records and logs – any and all maintenance performed on each unit.
- Checklist for assurance of complete inspection.

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