

# **Going Beyond Basic Fleet Safety and the Effect on Company Profits**

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# Presenters

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# Presentation Overview

- Fleet Safety Results
  - Distribution of Crashes
  - Claim severity: The Big Four
  - Measuring Results
- Fleet Safety Basics
- “Beyond The Basics” for
  - Greater Results and
  - Greater Profitability



# Fleet Safety Results

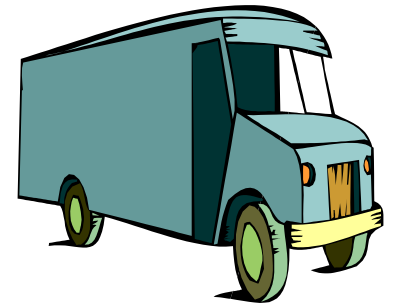
- Motor Vehicle Collisions remain the leading cause of workplace death (USA)
- NHTSA states that during CY2000:
  - 36,249 drivers/passengers died
  - 3.1 million injuries



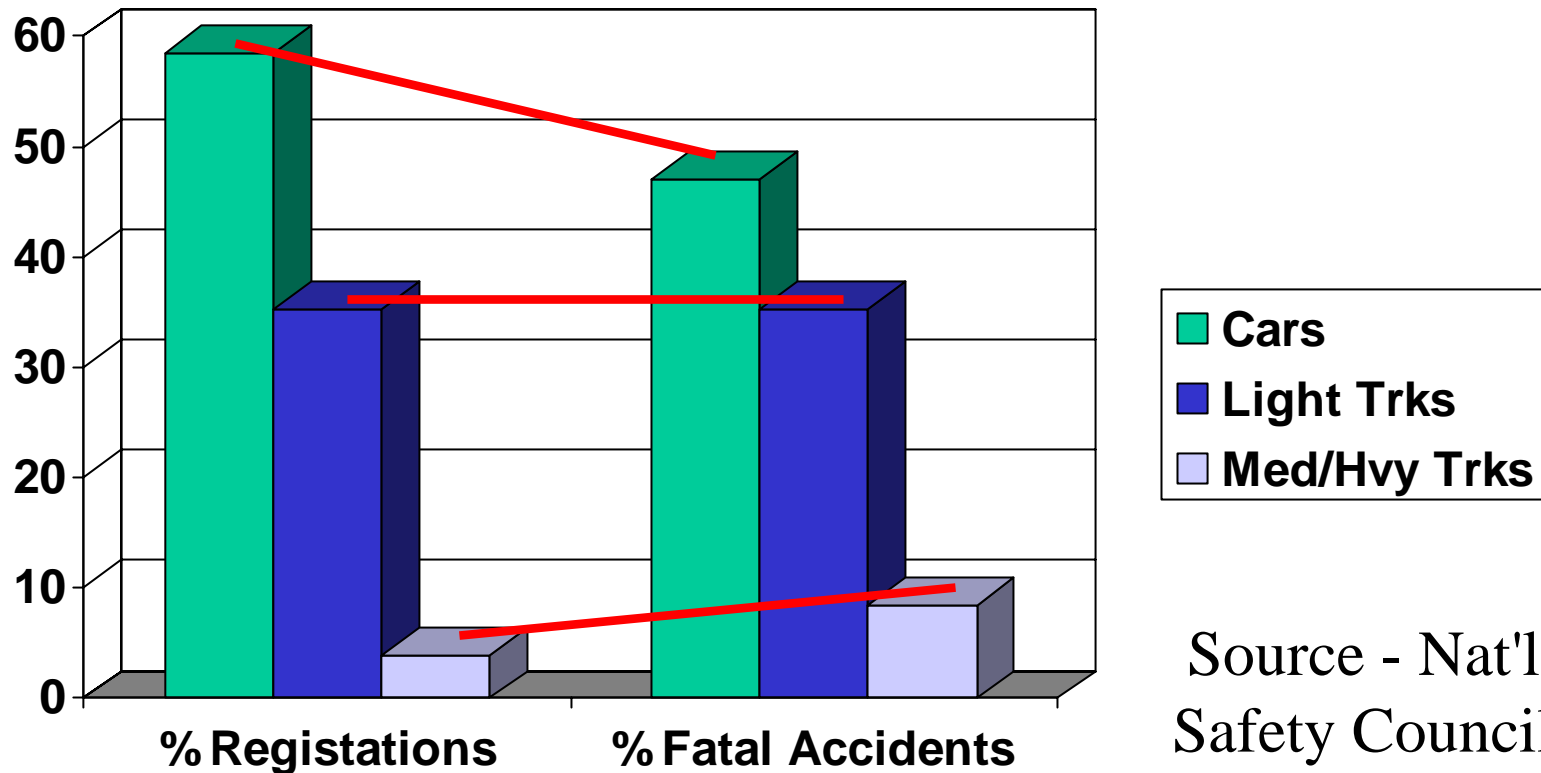
# Distribution by Vehicle Type

- Is there a “disproportionate” number of crashes by private passenger cars or by “truckers”?

No – light and medium duty trucks have a lot of crashes, too!

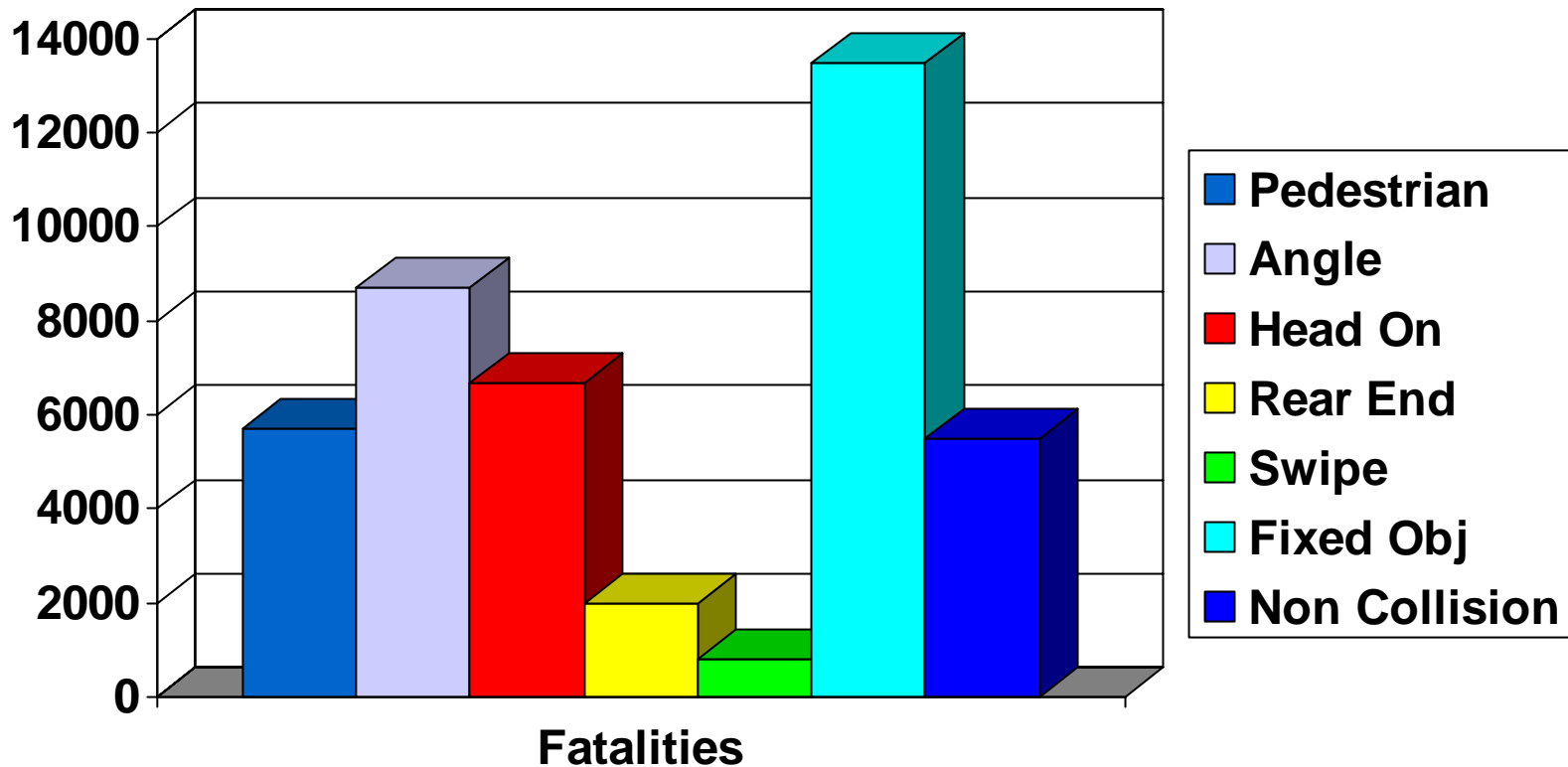


# Distribution by Vehicle Type

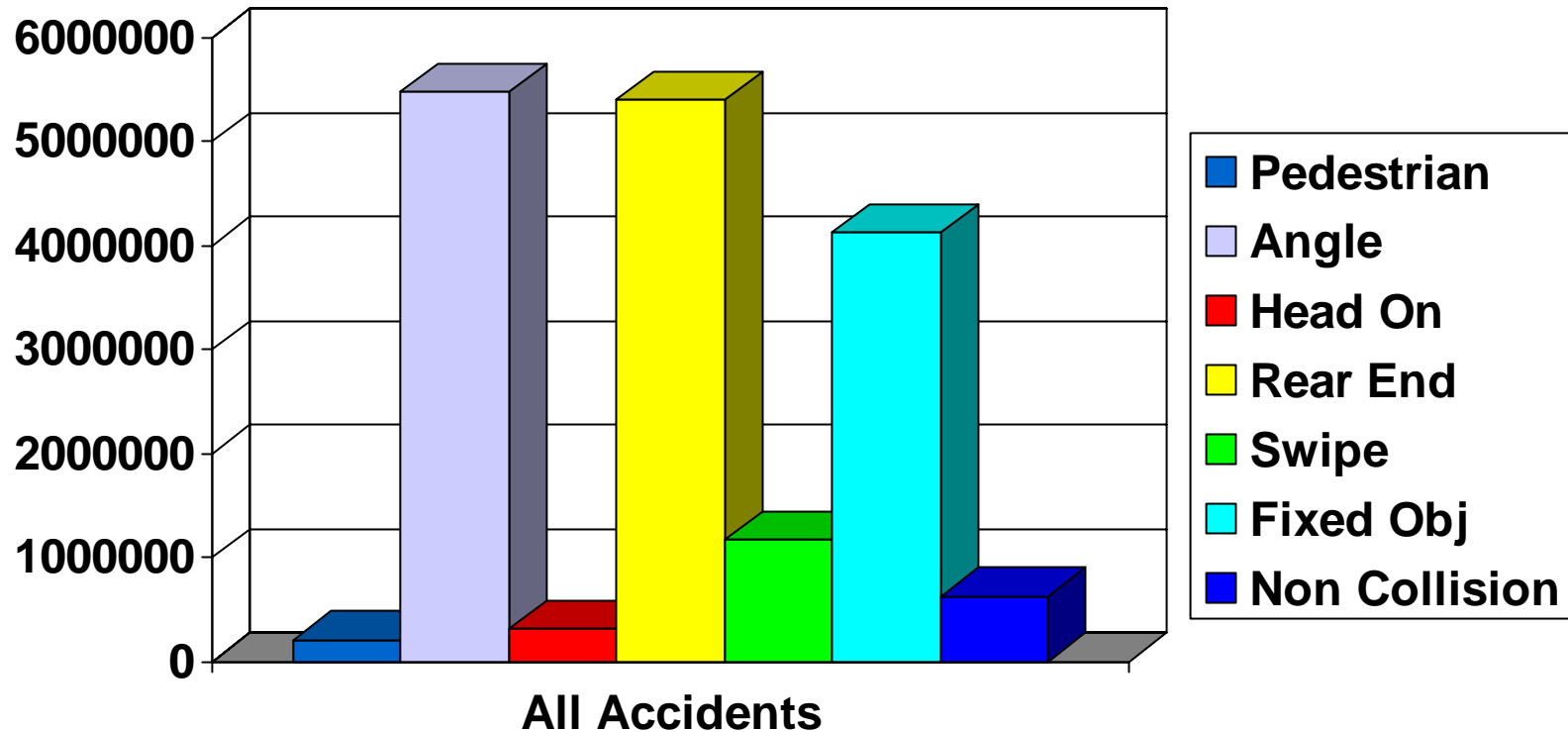


Source - Nat'l  
Safety Council  
Accident Facts,  
2003

# Fatalities by Loss Type



# All Crashes by Loss Type





# Claim Severity: The Big Four

- The crash types
  1. Lane change/merge/sideswipe
  2. Turning & Intersection accidents
  3. Rear-end collisions
  4. Non Collision
- These drive 40-70 percent of most firm's claim expense

# Claim Severity: The Big Four

- Why isn't "Fixed Object" one of the "Big Four?"
- Good question!

There's no one to sue!

(sad, but true...)

# Claim Severity: The Big Four

- The “Big Four” are typically a source of high-profile jury awards:
  - Jury Verdict Awards for fleet accidents **quadrupled** between 1990-2000
  - Insurers have been raising rates and deductibles, making safety results even more significant to your profitability

Some examples follow...

# Byer v. Market Transport

- Byer, age 15, suffered irreversible brain damage when the Byer family car was sideswiped by a tractor and trailer.
- The jury deliberated one day before delivering its unanimous verdict.

\$8,132,000 jury verdict for plaintiffs after rejecting a settlement offer of \$4.5 million

# Nevarez v. Foremost Dairies

- A multi-vehicle auto-truck collision that resulted in identical C-5/C-6 quadriplegic injuries to a father and daughter, when their car was rear-ended on **smoke-covered** I-5 by the defendant's tractor and trailer.

**\$11,000,000.**

# Bus Crash-Terrell, TX, 6/24/02

- A chartered bus taking youngsters to a church camp crashed into the concrete pillar of an overpass, killing the driver and four passengers

"...the families of nine victims have filed a lawsuit against the two bus companies involved in the trip and the company that owned the bus." (Star-Telegram 08/06/02)



# Claim Severity: The Big Four

- The cause(s)?
  - Human error (judgment)
  - Inattention, Distraction, Fatigue
  - “at-risk” or “risk-taking” behavior

What can be done to address  
fleet crash results?

# Quick Survey of the Room

- Who has a fleet safety program in place?
- Who feels that it is working?
- Who is frustrated that they are continuing to have collisions despite their best efforts?





# What is “Basic” Fleet Safety?

Coordinating the efforts of managers and employees to:

1. Minimize the potential for collisions
2. Deal with collisions that do occur
3. Assure compliance with laws / regulations that apply to your fleet operations



# “Fleet Safety” Details

- ✓ Recruiting and Hiring drivers
- ✓ Orientation & Training of drivers
- ✓ Reporting, recording, investigating and analyzing crash data
- ✓ Regulatory compliance
- ✓ Assuring fitness of vehicles
- ✓ Finding “at-risk” or “high-risk” drivers

# Key H.R. and Safety Areas

- Driver recruiting and selection practices
- New hire evaluation and orientation
- Ongoing driver review and training
- Post accident reviews and training

Business Practices Provide Your  
Prevention of Claims and “Defense”



# Driver Recruiting and Hiring

- How do you recruit drivers?
- Look at advertising (wording)
- Specific requirements and qualifications
- Is “driving ability” a core skill?
- Up-to-date with pertinent regulations?

# KLLM – August 2000

- Plaintiff attorney said KLLM's driver had:
  - Eight (8) preventable accidents and six (6) moving violations in the three years before he was hired
  - and two (2) additional minor accidents and another four (4) tickets in the months immediately before the accident.

**\$6.8 million jury award**

# KLLM – August 2000

The jury found that KLLM

**ignored its own standards**

when it hired the truck driver accused  
of causing the August 2000 accident

**\$6.8 million jury award**

# Bus Crash-Terrell, TX, 6/24/02

- NBC TV report
  - the bus driver was twice cited (previously) for driving 90 mph in a 60 zone.
  - Also, the driver has had at least 8 traffic tickets during the last three years for speeding, speeding in a school zone, driving the wrong way on a one-way street and for not having insurance
- Despite the extensive history of speeding and traffic tickets, the driver still managed to obtain a commercial driver's license (and gain employment)

# Evaluation & Orientation

- Familiarize newly hired employees with equipment, routes, procedures
- Document conversations, receipt of manuals or guidebooks
- Periodic review and revision of materials
- Deal with concerns now, not later



# Evaluation & Orientation

- Administration of records for employees is critical
- Anniversaries of key dates should not be missed
- A system to remind and schedule updates should be put in place

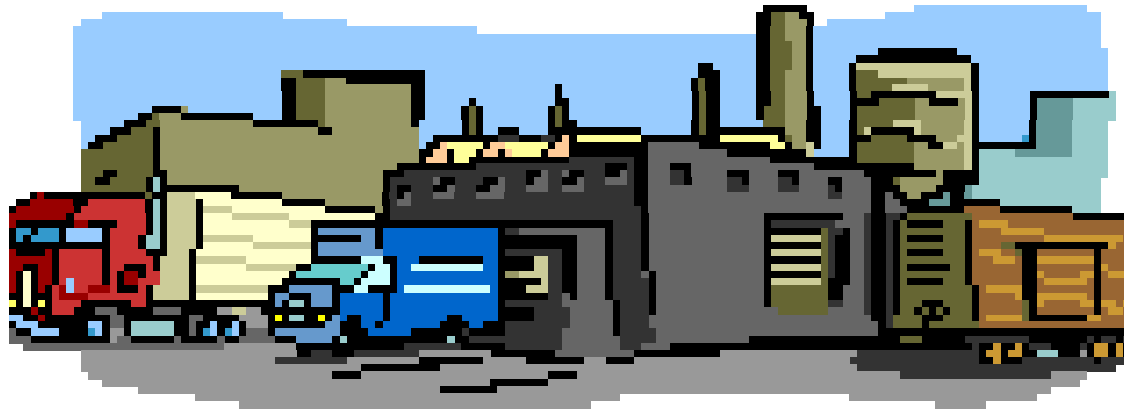


# Driver Review and Training

- People change over time and so do their habits
- Driver review is a periodic revalidation of each driver's qualifications
- As negative habits are discovered, documentation of coaching and training efforts are needed

# Driver Review

- How do you review and document job performance?

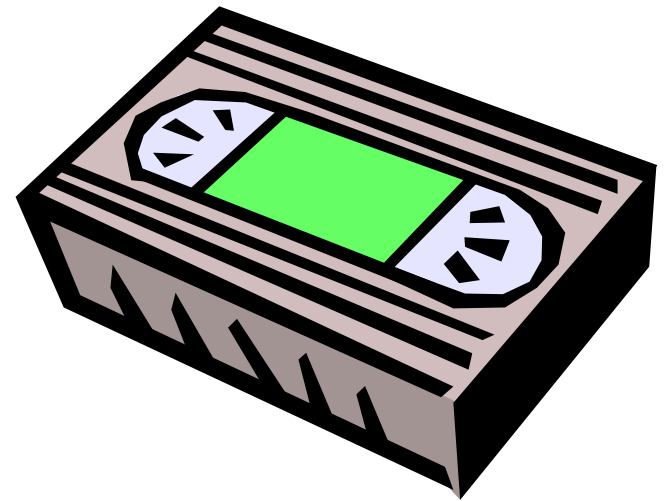


# Driver Review

- Periodic management reviews (FMCSR)
- Motor Vehicle Report
- 1-800 How's My Driving?
- Electronic On Board Recorders (Black Box)
- Ride Along review

# Driver Training

- Training can be provided as:
  - Traditional Classroom
  - Self-led via Internet, CD ROM, Video, Booklets, etc.
- Document the impact of training



# Post Accident Review & Training

- Training for drivers and managers on what to do and say following a crash?
- What procedures are followed after a crash?
  - Accident Scene Photos
  - Accident Report Kit
  - Prompt contact with company and police



# Post Accident Review & Training

- How do you handle crashes where your driver is incapacitated?
- Who will act on your company's behalf?
- Was there a fatality involved?
- Were there passengers, riders or hazardous materials in your vehicle?

# Post Accident Review & Training

- Crash report: honest, direct & never humor
- Consistently review performance of any driver involved in a crash
- If system failed, make corrections
- If it is clear that the driver needs training to prevent similar accidents get it done



# Close the Loop

- Do all managers know what is required?
- Self Audit of processes and records to assure compliance:

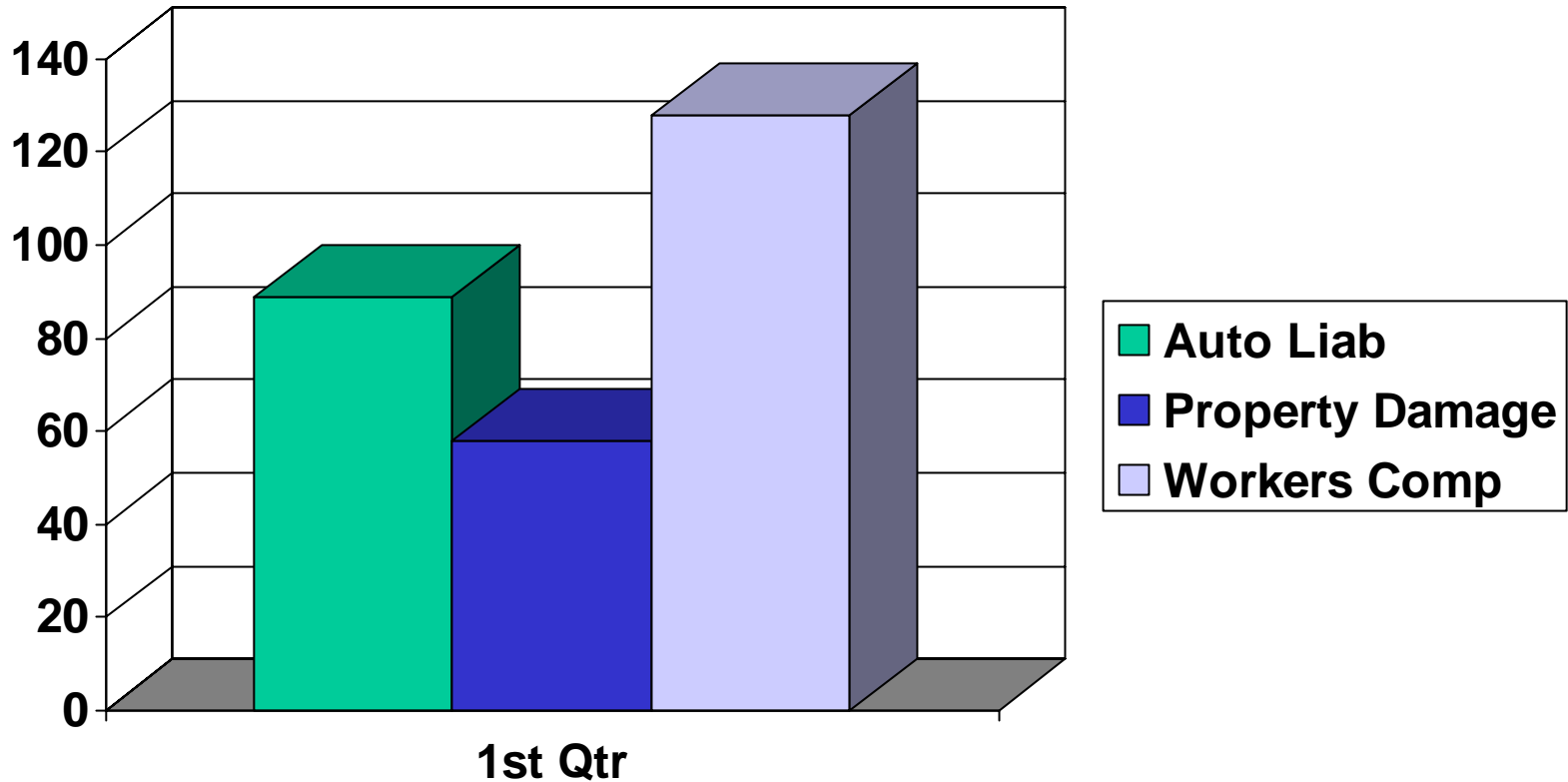
“1-800-How’s My Management?”

Bottomline = what results are coming from your efforts?

# Safety Results at Your Company

- How do you measure safety results?
  - Insurance carrier loss reports
  - Annual summary of dollars paid
  - Dollars by Loss Type
  - Compliance with regulations
  - Compliance with training protocols

# Work Comp = Extra Cost



**Workers Comp due to MV Crashes is a big part of any company's loss result**

# Safety Results at Your Company

- There are compelling legal reasons to make safety a top priority
- These same reasons call for measuring compliance to policies and measuring results

Negligent Entrustment, Negligent Hiring,  
Negligent Maintenance

# Safety Results at Your Company

- Safety results impact the profitability of your firm:
  - Accident costs are not budgeted
  - Hidden costs exceed insurance payouts
  - Deductibles have been rising

Fewer collisions = more time on what your company does to make a profit

# Satisfied with the Results?

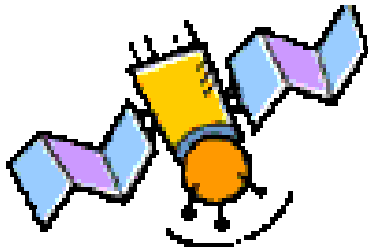
- We must master “basic” safety practices, but are we getting the result we want?
- Albert Einstein said that the definition of insanity was:

“doing the same thing over and over again and expecting different results”

# What's "Different" and Better?

- Opportunities exist to capitalize on:

"Hi-Tech"  
Technology



Behavior Programs

# Custom Technology For Mgmt.

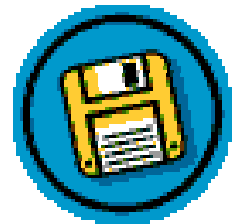
- Computerization of recordkeeping leads to better, deeper reports of activity
- Internet-enabled applications help keep multiple locations in lock-step with HQ
- Easier analysis of results
- Profiling of risk / drivers





# Custom Technology For Drivers

- “Tech solutions” can solve problems
- Drivers are becoming more familiar with technology in their day-to-day lives
- Safety appliances = tools to help drivers



# So What is Available?

Black Box Recorders Tied to GPS

Automatic Vehicle  
Location Systems (GPS)

Sonar Based Collision  
Detection for Backing and  
Merging Issues

TV Cameras for  
Viewing Behind  
The Vehicle

TV Cameras that  
Record Accidents and  
Tough Maneuvers

Movable, Motorized Mirrors

# Making Sense of Tech Solutions

- Issue = Backing & Merging Collisions

- 
- Larger mirrors \$
  - Convex mirrors \$
  - Mirror adjustment programs \$
  - Motorized Mirrors \$
  - Sonar Systems \$\$
  - TV Cameras \$\$\$
  - Out of lane warnings \$\$\$\$

# Making Sense of Tech Solutions

## Needs:

- Collision Investigation and Documentation
- Monitor Driver Activity and locations
- Dispatch of Drivers to Meet Time Deadlines

## Choices:

- Black Box Recorder (passive)
- GPS system (active)



# Cost Justification

- We've already established that there is a defined cost of crashes affecting every company
- The cost of implementing safety should be balanced against an expected reduction in collisions



# Cost Justification

- Cost of collisions is relatively easy
- Don't underestimate out-of-pocket costs
- Judging the impact of the proposed program is much more difficult, but...

a good vendor will supply client references, worksheets, & cost options

# Cost Justification

- Consider a “testing program” to:
  - Prove that it works
  - Get driver’s reaction
  - Gauge the potential loss reductions



# Other Technology Tips

1. Ask a lot of questions
2. You usually get what you pay for – cheap systems often give ugly solutions
3. A good vendor will offer real education – be willing to listen
4. Call clients who already use the system – ask direct questions



# 90% of Crashes from Behavior

- Most collisions are due to driver actions, choices, habits and physical condition
- Most collisions could be avoided, IF...
  - We understood the driver's attitude or contribution to the collision
  - We had advance notice of a pending problem

# 90% of Crashes from Behavior

- Most 'Fleet Safety' practices are built around "driver training"
- Training **is** good – it is an attempt to:
  - Show the "right" way to drive
  - Provide awareness that crashes are "bad"
  - Help drivers recognize the need to be careful

# 90% of Crashes from Behavior

- Driver training effectiveness depends on:
  - Participant's willingness to listen
  - Presenter's enthusiasm
  - Content / message being understood and "agreed to"
  - The ability of participants to remember the message and apply it – long term

# 90% of Crashes from Behavior

- Driver training pitfalls:
  - Temptation to use it as a “cure all”
  - The message may be ignored or missed by those who needed it the most
  - The message “wears off” within months
  - Cost is relatively high, if repeated too frequently (lost productivity, training materials)

# Fleet Behavior Safety Program

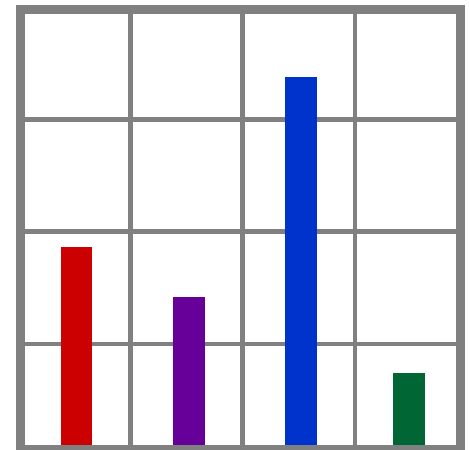
- Inputs = Observations
- Coaching to correct improper behavior (feedback to employee)
- Assign measured consequences to behavior that is not modified
- Periodic assessments (summary reports) to track progress towards goal

Paraphrased from I.S.H.N. article by Scott Geller (5/2000)

# Behavior Inputs = Observations

- Risk taking behavior leads to accidents
- If you identify risk taking behaviors, **and**
- Take action to assist drivers, **then**
- Crash rates will go down

So how do we make  
observations of  
“at-risk” drivers?



# Behavior Inputs = Observations

- Motor Vehicle Record
- Accident register
- Follow drivers to make observations
- Ride along with drivers (and hope that they do not mask their behaviors)
- Black Box Recorders
- Safety Hotline Services

# Behavior Inputs = Observations

- Motor Vehicle Record
- Accident register
- F Basics – could be doing already
- Ride along with drivers (and hope that they do not mask their behaviors)

- Black Box Recorders
- Safety Hotline Services



Time to consider more advanced options?



# MVR Review

- Insight into past behavior
- Static, snapshot of history
- May not reflect true behavior
- “hey, those tickets happened in my car  
– I don’t drive the truck like that”



# Accident Register

- Those who've crashed before ARE statistically likely to crash again
- If you already have a lot of crashes, this may be effective
- Hopefully you can spot issues before a tragedy occurs!

Some fleets are now using computers to run predictive “risk profile reports”

# Direct Observation

- Do you have time to ride with or follow your employees?
- If you could afford the time to directly monitor the most “at-risk” drivers, who would you pick?
- Need some process to pick drivers, document observations and document follow up to remedy their issues.

# Black Box

- Privacy? It's YOUR truck!
- Data reports can be exception based
- Can help operations refine routes and scheduling (bonus beyond safety!)
- Can be tied to GPS system for live updates!



# Safety Hotline Service

- Decals placed on commercial vehicle
- Motorists report risk taking behaviors
- Reports generated & sent to fleet
- Drivers are coached on behavior
- Reports returned noting action taken



# Safety Hotline Service

- Ten insurance carrier studies have confirmed crash reductions of 20% or more in the first year
- Many insurance carriers provide at no cost to the fleet



# Safety Hotline Service

- 80% of drivers NEVER get a complaint
- 10% get ONLY one complaint
- 10% get MULTIPLE complaints
- As long as reports are investigated with a real effort to coach and counsel drivers many crashes could be avoided

The program provides focus on the few who need the most help

# Summary

- Crashes and costs are staggering
- All fleets need to master the basics
- To deliver remarkable results, getting beyond the basics may be necessary
- Technology and Behavior Programs may provide additional solutions for your operation



# Thank You For Your Interest



When We Work Together,  
We Improve Results for Everyone