Going Beyond Basic Fleet Safety and the Effect on Company Profits

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Presenters

• Bruce E. Ayrton, CSP
  – President
  – Bruce E. Ayrton, Inc.
  – Inspections & Loss Control Services
  – Lancaster, PA

• Paul Farrell
  – CEO, SafetyFirst
  – Accident Reduction and Compliance Programs
  – Cresskill, NJ
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

- Pedestrian
- Angle
- Head On
- Rear End
- Swipe
- Fixed Obj
- Non Collision
All Crashes by Loss Type

Pedestrian
Angle
Head On
Rear End
Swipe
Fixed Obj
Non Collision

All Accidents

0
1000000
2000000
3000000
4000000
5000000
6000000
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

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?
• 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
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
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)

TV Cameras for Viewing Behind The Vehicle

Sonar Based Collision Detection for Backing and Merging Issues

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
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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

Safetly is my goal 9999Z
1-888-550-SAFE
Your Comments Welcome
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