TRANSPORTATION RISK MANAGEMENT
BEST PRACTICES

Michael Harrold
Transportation Technical Specialist

Copyright © 2019 The Cincinnati Insurance Companies. All rights reserved. Do not reproduce or post online, in whole or in part, without written permission.

Our loss control service is advisory only and should not be interpreted as legal advice. We assume no responsibility for management or control of your loss control activities nor implementation of recommended corrective measures. These materials were gathered from trade services and public information. We have not tried to identify all exposures. We do not warrant that this information is consistent with Cincinnati underwriting guidelines or with any federal, state or local law, regulation or ordinance.
To Leave Here With a Better Understanding of:

➢ How and when your organization can be exposed to losses from vehicle operations
➢ The impact of inadequately managing your fleet operational exposures
➢ What you can do to help reduce risk potential and enhance your “defense posturing”
America’s Roads…a Dangerous Place

➢ Motor vehicle crash fatalities  ➢ 4 every hour (~35,000 per year)
➢ Motor vehicle crash disabling injuries ➢ 257 per hour
➢ Motor vehicle fatalities ➢ leading cause of death ages 1-29
➢ Fatalities caused by texting ➢ at least 8 per day

Source: NHTSA 2015
Vehicle Crashes

➢ Over a third of all workplace deaths involve motor vehicle crashes

➢ Vehicle crash-related injuries, on average, are three times more costly than other workplace injuries

➢ Fatal injury: $1.5 million

➢ Non-fatal disabling injury: $80,700

➢ Property damage only collisions: $9,300
When Can You Be Exposed to Auto Losses?

➢ Institution-owned vehicles used in business
➢ Institution-owned vehicles used for personal activity
➢ Employee-owned vehicles used on organization business

➢ Rented vehicles used for Institution business
➢ Institution members using personal vehicle on behalf of your organization
➢ Subcontracted/Hired vehicles and operators

Any other situations?
# Tort Theories of Liability for Commercial Auto

<table>
<thead>
<tr>
<th>Negligent Hiring</th>
<th>Negligent Entrustment</th>
<th>Respondeat Superior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hiring a driver:</td>
<td>✓ Entrusted employee is inexperienced or reckless, and the employer knew this condition</td>
<td>✓ Latin: “Let the master answer.”</td>
</tr>
<tr>
<td>✓ With a poor MVR</td>
<td>✓ Employer permits a driver to use a vehicle knowing that the use creates a risk of harm to others</td>
<td>✓ An employer could be liable for an employee’s acts</td>
</tr>
<tr>
<td>✓ With a suspended or revoked license</td>
<td></td>
<td></td>
</tr>
<tr>
<td>✓ Without conducting past employment inquiries</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Passenger Transportation Unique Concerns

- High Capacity Exposure
  - Vans with 7 to 15 passengers including drivers
  - Greater than 15 passengers?
- Boarding and Alighting
  - Ground to Seat/Seat to Ground
- Wheelchair/Scooter Lifts
  - Proper use and maintenance
- Client and Equipment Securement
  - Seat belt use and securing of client items
Passenger Management – Most Critical

➢ Understand and follow procedures for safe loading, unloading, and transport of persons
➢ Chair lifts – maintained and inspected
➢ Chair securement – 4 point systems for securing chair and passenger
➢ Hand holds, floor mats, seatbelts, etc. should be well maintained.
➢ Seat belt use is mandatory!
Vehicle Equipment Checks

Pre-Trip Inspection…

➢ Horn, lights, turn signals, back-up alarms
➢ Windshield wipers and wash fluid
➢ Clean windows, mirrors, lights and sensors
➢ Brakes & Steering working OK
➢ Dash gauges show all good – no warnings
➢ Tire tread and pressure good
➢ Check underneath for any leaks
➢ No cargo on roof and no trailers
Key Tenets of Transportation Safety

➢ Commitment to safety
➢ Comprehensive fleet safety program
➢ Investment in drivers and employees
➢ Continuous improvement system
TENET 1: Commitment to Safety

Demonstrated through:

➢ Organized for Fleet Safety Management
➢ Defined responsibility
➢ Structured accountability
➢ Culture of Risk Management

The Foundation
TENET 2: Comprehensive Fleet Safety Program

Demonstrated through:

- Policies and procedures for all vehicle operations
- Formal rules addressing safety and use
- Dispatch and trip management
- Cargo and passenger management
- Accident reporting and investigation
- Equipment inspection and maintenance
- Formal vehicle selection standards
TENET 3: Operator Investment

Demonstrated through:

➢ Structured driver selection process
➢ Training and safety awareness
➢ Motivation and compensation
➢ Health and wellness

The Mechanics
Driver Selection:

➢ Establish minimum age and experience criteria

➢ Establish driving record criteria, such as:
   □ No more than three moving violations or two preventable accidents in three years
   □ No major violations or events in the past five years
TENET 3: Operator Investment (continued)

Training and Awareness:

➢ Initial  ✓ orientation define expectations
➢ Remedial  ✓ address driver specific issues
➢ Focused  ✓ address overall fleet trends
TENET 4: Continuous Improvement

➢ Loss trending and analysis
  What’s happening?

➢ Internal benchmarking and auditing
  Set performance goals/metrics

➢ Scheduling/trip management review
  ID improvement areas

➢ Program review
  Keep it current

➢ Fleet age/maintenance reliability
  The Maintenance and Upkeep
Methods to Promote Safe Vehicle Operations:

➢ Structured company vehicle use guidelines
➢ Motor vehicle driving records checks
➢ Background checks
➢ Drug tests
➢ Employee driver training
➢ Safe driver recognition programs
➢ Regular safety inspection reports
➢ Regular vehicle maintenance records
➢ Telematics and GPS tools

TIP:
Include anyone driving on behalf of your organization in vehicle safety management initiatives.
Questions?

Thank you for your time and participation!