



TRANSPORTATION RISK MANAGEMENT BEST PRACTICES

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Today's Objectives



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

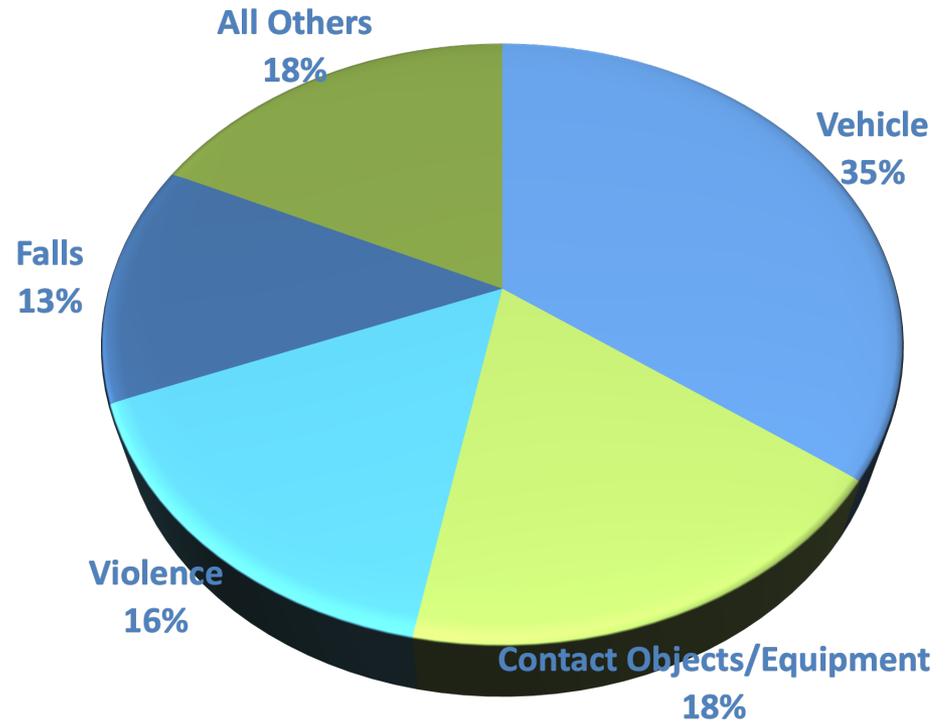
- Motor vehicle crash fatalities \longrightarrow 4 every hour (~35,000 per year)
- Motor vehicle crash disabling injuries \longrightarrow 257 per hour
- Motor vehicle fatalities \longrightarrow leading cause of death ages 1-29
- Fatalities caused by texting \longrightarrow at least 8 per day



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



Bureau of Labor Statistics. TABLE A-1. Fatal occupational injuries by industry and event or exposure, all United States, 2017

National Safety Council 2019...

- **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
- Any other situations?
- Rented vehicles used for Institution business
 - Institution members using personal vehicle on behalf of your organization
 - Subcontracted/Hired vehicles and operators

Tort Theories of Liability for Commercial Auto

Negligent Hiring

Hiring a driver:

- With a poor MVR
- With a suspended or revoked license
- Without conducting past employment inquiries

Negligent Entrustment

- Entrusted employee is inexperienced or reckless, and the employer knew this condition
- Employer permits a driver to use a vehicle knowing that the use creates a risk of harm to others

Respondeat Superior

- Latin: “Let the master answer.”
- An employer could be liable for an employee’s acts

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

The Structure

TENET 3: Operator Investment

Demonstrated through:

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

The Mechanics

TENET 3: Operator Investment *(continued)*

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!