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Accident Investigation Back to Basics: Uncovering and Treating the Root Causes of Loss

by Julie L. Sealey, CPCU, CSP, ARM, ALCM, CHSP

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Treating the root cause of a loss rather than just the symptoms and then identifying and following up on corrective actions is essential to preventing and reducing accidents and related costs. Statistics show that unsafe employee actions or human behavior are the cause of approximately 90 percent of workplace accidents, while only 10 percent can be caused by unsafe working conditions. Addressing human behavior versus unsafe conditions as a root cause of loss requires a tailored, proactive, long-term approach.

What is the best way to address all root causes? The accident investigation approach consists of the following key steps: identifying root causes, assessing conditions, implementing corrective strategies, and following up to measure effectiveness.

When identifying root causes, it is imperative to stress that the understanding of root causes is fact finding and *not* fault finding. The reason the investigation is being completed is to determine causes so that another accident can be prevented. When employees understand that discussing the details of an accident will benefit all employees in proactively preventing accidents, they will tend to see that more than one cause existed beyond the symptoms.

For example, in discussing an employee eye injury, it was noted that the symptoms were that the employee appeared careless, was not wearing eye protection, and that a guard was not in place. The root causes were actually that the employee had worked overtime all month, the department was short-staffed due to vacations and illness, the eye protection was uncomfortable, and production demands made keeping the guard in place impractical.

The supervisor or committee conducting the accident investigation needs to focus on human behavior root causes, since they are 90 percent of the source of workplace accidents. Unsafe acts and conditions can overlap, so accident investigation team employees are encouraged to consider all root causes when investigating and/or reviewing an accident investigation.

Human behavior-related root causes to consider include: lack of accountability, low employee morale, ineffective employee motivation, a surge in production demands, excessive overtime,

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fatigue, employee dissatisfaction, poor supervisor employee relations, tension within a department, limited decision-making opportunities, impending layoffs, inadequate training, and poor maintenance of machinery, equipment, and vehicles.

Accident investigation/root cause determination is most often used for employee injuries and harm to the general public, but can also be used for vehicle incidents, property damage, and theft.

Once the root causes are uncovered and documented, corrective actions are determined to treat the root causes. Based on the facts uncovered during the process, corrective actions are discussed preferably among a group that includes employees, managers, supervisors, engineers, and maintenance. The members of the group can debate the practicality and cost of the corrective actions.

> ***The most cost-effective corrective actions can be those intended to address unsafe acts and behavior.***

The most cost-effective corrective actions can be those intended to address unsafe acts and behavior. For example, upon investigation of a crash, it was determined that the driver of a new truck had not received adequate training in the driving and handling of that type of truck. A training schedule can be determined to include the employee involved in the crash as well as other employees who would be permitted to drive that type of vehicle. Another example of treating the root cause is the examination and adjustment of staff adequacy and overtime scheduling to reduce fatigue.

It is important to keep in mind that the corrective actions for unsafe actions or behavior-related root causes are often very complex since they relate to psychological behaviors.

Follow-up is imperative. One of the best, but often overlooked, ways of improving a safety culture and employee morale is to follow up on corrective actions. Corrections such as improving workplace conditions, replacing guards, adding anti-fatigue mats, increasing training, and improving communication can often do more to increase employee motivation than a salary increase.

Now that accident investigation team members have the skills to make root cause and corrective action determinations, all team players must ensure that accidents and near accidents get investigated, and corrective action follow-up is completed. The team can also determine accident trends so that efforts can be focused on existing and potential identified root causes of loss. An action plan should be set up with responsibility, and completion dates assigned to address the loss and near-loss trends.

The corrective action plan and assigned responsibility fit in with the elements of current business management philosophy programs such as employee empowerment, ISO 9000 series, TQM, and Six Sigma. These programs along with understanding and treating the root cause of loss can give a company or organization the competitive edge in the ever-changing marketplace. ■

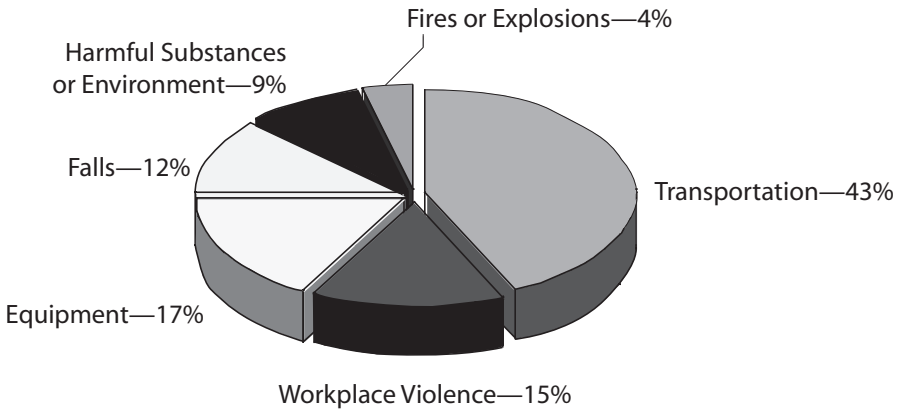
Selecting and Training Employees for Driving Company Vehicles

The Keys to a "Best in Class" Fleet Safety Program

by Jack Fearing, CPEA

Jack Fearing, CPEA, is a senior consultant with Aon Risk Services in the Greater New York Region and based in Parsippany, NJ. He has more than 25 years of experience in occupational safety and health and fleet safety. His previous experience includes serving as chairman of the Safe Driving Committee for a major multi-national pharmaceutical company. He is a graduate of the University of Massachusetts and Boston University. Fearing is a professional member of the American Society of Safety Engineer's (ASSE) New Jersey Chapter, and the assistant administrator of the ASSE International Practice Specialty. He is also an advisory board member of Virtual Driver Interactive, and a retired military pilot with more than 20 years of simulator training experience. He can be contacted at (973) 463-6240 or jack_fearing@ars.aon.com. Aon Safetylogic provides a robust Learning Management System (LMS) for delivering and tracking web-based driver training.

Figure 1
2005 Bureau of Labor Statistics Workplace Statistics



Believe it or not, motor vehicle accidents are the leading cause of employee deaths and injuries in the workplace—and have been for the past several years. It was not too long ago that motor vehicle fatalities were not even in the top five causes of fatalities in the workplace.

Traditional workplace activities such as slips and falls, fires and explosions, and contact with objects and equipment were always among the leaders in this area. Workplace violence began to appear on the list in the past decade as a new factor. However, all of these tragic events have been supplanted by transportation-related incidents, which accounted for 43 percent of all fatal occupational injuries in 2005 according to the Bureau of Labor Statistics (BLS). (See Figure 1.) This figure represents more than the next three categories combined.

Motor vehicle accidents, both on and off the job, have far-reaching financial and psychological effects on employers, employees, coworkers, and affected family members. Developing and maintaining a comprehensive fleet safety program should be a vital part of your company's safety culture. Your program must work to keep safe company employees and those with whom they share the road.

The program must include efforts to change driver attitudes, improve behavior, and increase skills to build a safe culture within your organization. By instructing your employees in safe driving practices, you will help your company avoid unnecessary tragedy. The needs for a fleet safety program are very simple:

- To save lives and to reduce the risk of life-altering injuries within your workplace.
- To protect your organization's human and financial resources.
- To guard against potential company and personal liabilities associated with crashes involving employees driving company-owned or leased vehicles on company business.

"Best in Class" Fleet Safety Program Components

The following 10-Step Program was developed by the Network of Employers for Traffic Safety (NETS) for various-size, commercial sales organizations and light vans and trucks under 26,000 pounds GWT. Implementing and following these steps will help protect your employees and your assets as well as keep your company's vehicle insurance costs as low as possible. This article will focus on driver selection and training, and provide a glimpse of the costs of accidents and emerging fleet safety regulations. Additional information is available by contacting the author.

1. Senior Management Commitment and Employee Involvement
2. Written Fleet Safety Policies and Procedures

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Selecting and Training Employees for Driving Company Vehicles

The Keys to a "Best in Class" Fleet Safety Program

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3. Driver Selection and Agreements
4. Motor Vehicle Record (MVR) Checks
5. Timely Accident Reporting and Investigation
6. Vehicle Selection, Maintenance, and Inspections
7. A Disciplinary Action Process
8. Safe Driver Rewards and Incentives
9. Driver Safety Training and Communications
10. Regulatory Compliance

Driver Selection and Agreements

A thorough examination of driving records of all potential new hires and employees who drive company vehicles is an important component of your fleet safety program. Establishing and managing this process is often contracted out to a third-party provider. A company must screen out drivers who have poor driving records since they are most likely to cause problems and have accidents in the future. A Motor Vehicle Record (MVR) should be obtained and reviewed prior to hire, as well as periodically thereafter, to ensure that your drivers maintain an acceptable driving record. Your program must clearly define the number of violations an employee can have, and the related point values for each, before losing the privilege of driving a company vehicle. Loss of this privilege can also result in termination for an inability to perform an employee's job function—this is particularly true in sales organizations.

Employers should also establish a contract with all employees who drive company-owned or leased vehicles. By signing an agreement, employees acknowledge their awareness and understanding of your company's fleet safety program, including its requirements and expectations regarding driver performance, following vehicle maintenance, and timely reporting of accidents and moving violations.

Table 1 outlines sample criteria that could be used to screen both new hires and employees.

Table 1
New Hire Driving Record Acceptability Criteria

Unacceptable Driving History

- Currently suspended license due to moving violations.
- Two or more moving violations in the past 24 months.
- Two or more preventable accidents in the past 24 months.
- Gross or willful negligence* within the past 24 months.

*Includes, but not limited to, DUI/DWI, felony while driving, falsifying driving records, leaving the scene of an accident, and allowing unauthorized persons to operate company vehicles.

The proper amount of care and planning used in selecting and retaining employee drivers will have a definite effect on your bottom line regarding preventable accidents and unnecessary losses. It is very important to take the time to identify and eliminate unsuitable drivers from your fleet safety program.

Driver Safety Training and Communications

Providing continuous and comprehensive driver safety training and communications are vital to a successful fleet safety program. Even experienced drivers benefit from periodic training and reminders of safe driving practices and skills. Statistics show that drivers under the age of 25, especially males, including those who drive company vehicles, and untrained employee drivers of any age are the two most likely groups to have a preventable motor vehicle accident. Untrained drivers typically are responsible for more than 60 percent of all fleet accidents.

Further, employees are most susceptible to having an accident during the first five

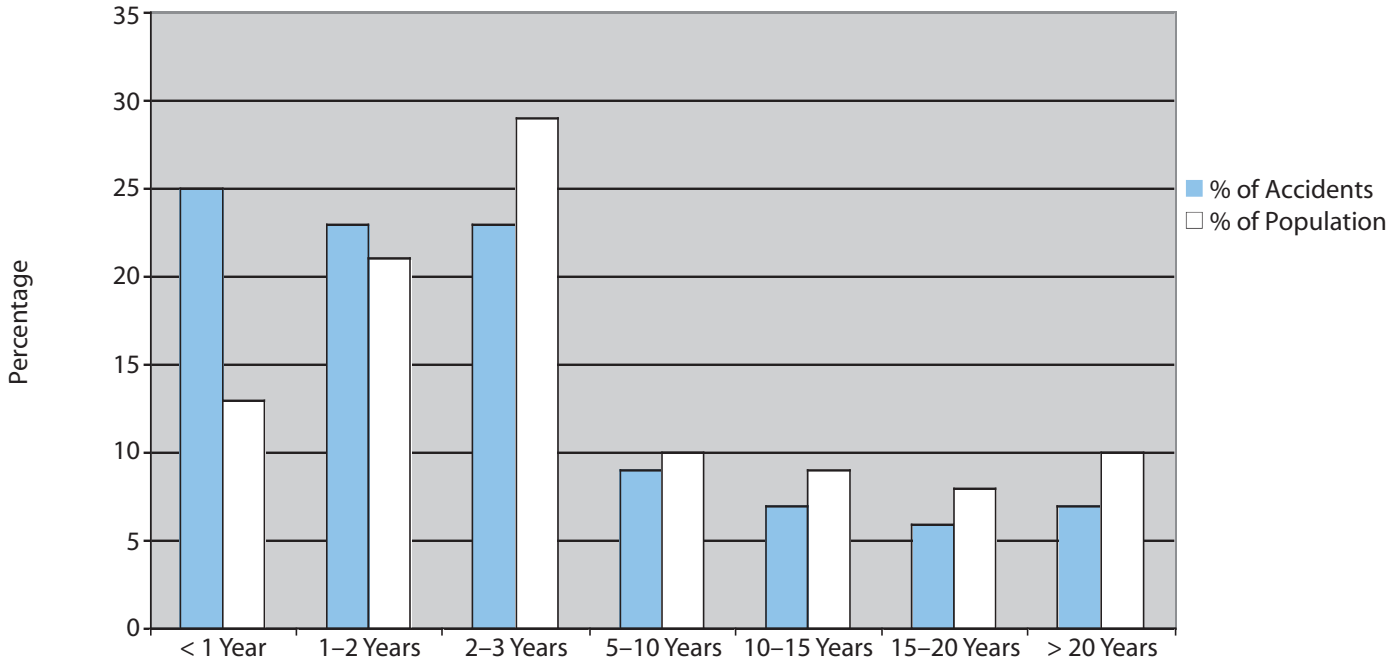
Table 2
Existing Employee Driving Record Acceptability Criteria

Risk Level 1	Risk Level 2	Risk Level 3
Current Valid License.	Between 4 and 6 points in last 12-month period.	Seven or more points in last 12-month period.
Less than 4 points* in the last 12 months.	Between 6 and 9 points in last 24-month period.	Ten or more points in last 24-month period.
Less than 6 points in the last 24 months.	Between 10 and 12 points in last 36-month period.	Thirteen or more points in last 36-month period.
Less than 10 points in the last 36 months.		Gross or willful negligence.
		Suspended license for moving violation and/or DUI/DWI**.

* Point values may differ from state to state. An internal system should be established to include a standardized interpretation.

** Driving Under the Influence/Driving While Intoxicated

Figure 2
U.S. Based Multi-National Pharmaceutical Company—2004



years of their employment. (See Figure 2.) All of these underscore the criticality of providing training to employees as soon as possible, especially the younger, entry-level drivers.

The training challenges facing most fleet businesses are three-fold: (1) verifying the driving history and safety record of newly hired drivers; (2) providing quality training and proper documentation at the time they are hired; and (3) consistently providing refresher training/communications on a yearly basis (better yet if you are able to focus on any shortcomings that an individual driver may have).

There are several components to driver safety training to consider when developing your company's specific program. These include initial training for new hires, refresher training for all drivers, risk-level change training, training for authorized non-employee drivers, and manager training for employee observation rides.

Initial Training

New employee drivers should receive formal safety training as soon as possible and preferably before being issued a vehicle, including program requirements, the company fleet service program, and behind the wheel instruction. There may be extenuating circumstances where this preferred timing is not possible. If that is the case, the new hire's manager should provide some form of documentation.

Annual Refresher Training

Refresher safety training should be provided to each employee driver at least annually. Ideally, it should be either behind-the-wheel training or another type that allows the driver to experience the same types of situations that he or she will experience during the course of both normal and emergency driving conditions.

There are several types of non-traditional, hands-on training programs available. These include web-based, desktop, and driver simulation training. Of the three, the recent emergence of commercial driver safety simulation training clearly offers the most realistic options and scenarios.

The leading company in this industry is Virtual Driver Interactive (www.driverinteractive.com). Its product includes the latest in technology and graphics, an unbiased instructor, a low-stress environment and it only reinforces "good" driving habits, not a criticism of "bad" driving habits. The technology includes immersive graphics, realism, and relativistic clues for accelerated learning. A multitude of driving scenarios offer a variety of weather conditions, various types of road conditions, a mixture of rural and urban environments, and numerous unexpected hazards and emergency situations.

Further, the virtual trainer uses actual car parts and components to lend another dimension of practicality, and the iPASS™ assessment system offers accurate and documented training records. Most importantly, course completion includes a certification of completion of the National Safety Council's DDC 6/8 Defensive Driving Course.

A comparison of behind-the-wheel and/or simulation training and traditional classroom training in the Learning Pyramid is illustrated in Figure 3.

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Risk-Level Changes

Drivers whose driving record has resulted in a risk-level (RL) change from RL-1 to either RL-2 or 3 (see Table 2) should receive additional training as soon as possible. This supplemental training should be at the driver's expense and not used as a substitute for regularly scheduled training. Either traditional behind-the-wheel training or simulation training is ideal for this type of requirement. Generally, this should also include a documented manager's observation ride prior to returning to normal job duties (see below).

Non-Employee Drivers

All non-employees who are authorized to operate a company vehicle should have completed a supplemental driver education program as outlined above and provide the company with a certification of completion prior to being allowed to operate a company vehicle.

Manager's Observation Ride

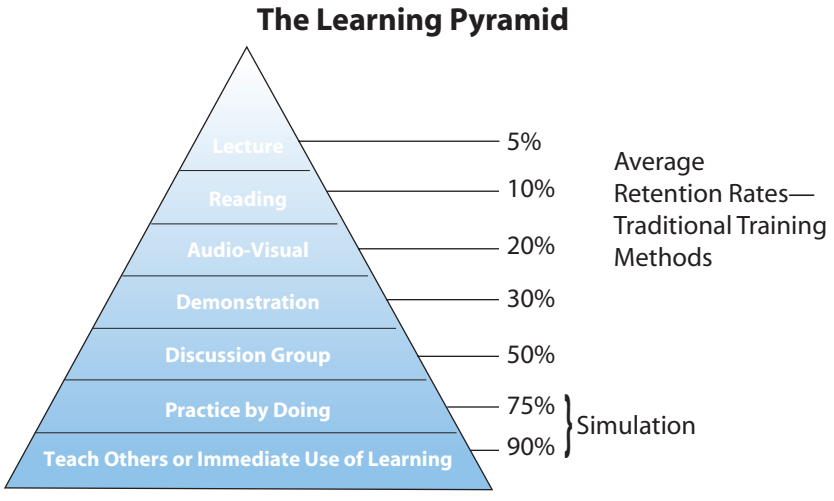
All managers should conduct an annual (at the very least), documented road observation ride of all drivers under their supervision to ensure they comply with company procedures. This should include an observation of vehicle inspection, vehicle operation, and the driver's safety attitude.

Other circumstances may require a more frequent manager's observation ride, including a risk-level change, involvement in a preventable accident, and a return to driving duty after an extended absence due to personal injury or illness, maternity leave, etc. Training in the planning and conduct of the ride must be provided to managers in order to present the necessary tools and insights into the objective of this program.

Communications

Ongoing safe driving communications are an important part of the overall fleet safety program. Driver safety materials for this element can include DVDs, videos, audiocassettes, web-based information via the company intranet, e-mails, specially produced booklets, and newsletters. Specific information might include the company policy on seat belt usage, cellular phones, and other types of distractions while driving. All drivers should be required to familiarize themselves with the company fleet safety communication materials.

Figure 3
National Training Laboratories—2006



Distractions and Driving

In 2003, AAA unveiled a new study on distracted driving. The study, which used in-car video to record the actions of volunteer drivers, found that wireless phones were the eighth most common distracted driving activity, out of nine. The study found that distraction, of all types, is an everyday occurrence. The results were as follows:

- Reaching or leaning—97%
- Adjusting radio—91%
- Conversing—77%
- Eating, drinking—71%
- Grooming—45%
- Distracted by passenger—44%
- Reading or writing—40%
- Using a cell phone*—30%
- Smoking—7%

*Using cell phones while driving without a "hands-free" device is illegal in New Jersey and New York.

There are numerous keys to success for driver safety training and communications. These include employee buy-in, conducting the training at the right time and place, providing hands-on options in a non-threatening environment, and including all the critical teaching points specific to your company—these can typically be best identified through a detailed loss analysis with your provider or carrier.

Ultimately, some form of documented training is always better then none, and using a blended training approach and curriculum along with frequency of training are keys to achieving skill transfer and mastery of the training topic. Unfortunately, training budgets are typically limited, which creates a strain on organizations to implement training programs that reach wider and deeper than simple "awareness" training programs. Because web-based training is interactive and cost-effective, it is

becoming the process of choice with organizations and their employees. The same advantages are available with simulation training. In both, unlike traditional classroom training, employees can train at their own pace, and have the flexibility to train when it is convenient for them without having to pull off the road to train.

Tracking driver performance records and completed training documentation can obviously go a long way to limit an employer's liability down the road. Employers also need to show a consistent pattern across the board that proper training is a priority and that when issues arise, they address them appropriately. Concentrating on the most costly accidents (and the habits that cause them) is crucial. Opportunities for continuing education, driver orientation, and annual performance reviews are critical components. Unfortunately, injury prevention and continuing education are often neglected by even the largest fleets.

The Financial Impact on Your Company's Bottom Line

It is estimated that motor vehicle crashes cost employers more than $60 billion annually in medical care, legal expenses, property damage, and lost productivity. They also have an adverse impact on the cost of benefits such as workers compensation, social security benefits, and private health and disability insurance. In addition, they can also increase a company's overhead involved in administering these programs.

According to a U.S.-based multi-national pharmaceutical company, the typical motor vehicle accident costs an average of $16,000 in 2004. When an employee had a work-related motor vehicle accident that resulted in an injury, the cost to the company increased to an average of $74,000. Costs can easily exceed $1 million when a fatality is involved. Off-the-job motor vehicle accidents are costly and disruptive to employers as well.

Looking Ahead

On February 15, 2006, the American National Standards Institute (ANSI) approved its guideline document, ANSI Z15.1—Safe Practices for Motor Vehicle Operations. The effective date was April 28, 2006. This non-prescriptive guideline document contains seven primary elements and several appendices.

The elements include the scope, terminology, leadership responsibilities, operational issues, driver management, vehicle selection, and recordkeeping. The appendices include a sample procedure and various sample accident policies.

While this is a breakthrough in fleet safety management and considered a national consensus standard, it is not civil law and there are no penalties for non-compliance.

Needless to say, responsible companies should embrace this standard and use it as a model to enhance their fleet safety program and protect their employees and assets. Other regulatory related activities to be aware of and to include in your fleet safety program are the mandatory use of seat belts in most states and the various state laws on the use of cellular phones. An effective fleet safety program should include all of the various state and local regulations in the geographic areas in which your company is involved.

Seat Belt Laws and Their Advantages

Forty-nine of the 50 states have mandatory seat belt laws for adults. New Hampshire is the only U.S. state that does not require the use of a seat belt by adults.

All 50 states have child restraint laws that require children to be in a restraint device or to use an adult seat belt.

A seat belt holds you in place so you don't crash into the dashboard, steering wheel, windshield, etc. They allow your shoulders and hipbones, which are the strongest areas of your body, to take or absorb most of the shock of the impact. Seat belts keep you from being ejected from the car.

You're much more likely to be killed if you're ejected from the vehicle onto the road or into a tree, etc.

A crash at 30 mph will send a 150 lb. person who's not wearing a seatbelt into the steering wheel or dashboard with a force of more than two tons.

Summary

Work-related motor vehicle accidents are largely preventable. No company can afford to ignore a major program that has such serious impacts on both its personnel and the company budget. When a company realizes the costs associated with motor vehicle accidents, it will also realize that the costs associated with implementing a comprehensive fleet safety program are minimal compared to the cost of avoidable accidents. Developing a fleet safety program that includes aggressive driver selection and comprehensive training are key elements to success in preventing unnecessary—and costly—accidents.

A recent report by a major insurance company revealed that companies surveyed in its Executive Survey of Workplace Safety believe their companies receive a return-on-investment (ROI) of $3 or more for every $1 they spend on improving workplace safety. Those are numbers all companies can relate to when it comes to protecting their employees. ■

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Product Risks Mitigation (PRM) Process

by George Nassif, CSP

George Nassif, CSP, joined Aon Risk Services of New York in 2006. He has provided consulting services for more than 30 years to clients in the manufacturing and consumer products sectors, the telecommunications and publishing sectors, as well as the retail, hospitality, and entertainment sectors. Nassif's expertise spreads across a large segment of the multidisciplinary field of risk consulting, from the development of risk assessment tools and quantifying techniques to the identification of leading business indicators in the areas of safety, health, environmental, as well as product liability and supply chain. He earned a B.S. in chemical engineering and an M.S. in environmental health from NYU. He is a Board Certified Safety Professional in Comprehensive Practice (CSP) and a professional member of the American Society of Safety Engineers (ASSE) and a full member of the American Industrial Hygiene Association (AIHA).

Manufacturers are becoming increasingly aware of the complex risks of product liability derived from both first-party product exposures as well as liability resulting from failure of manufactured or assembled products. There are four major causes of product failure:

1. unintentional breakdown of design
2. vulnerability in manufacturing
3. intentional tampering
4. failure to warn

Failure to remove a "hazardous" product from the market can have serious consequences, comparable to any catastrophe, including injury or death to end-users, lost revenue to manufacturers and retailers, decrease in stock value, and adverse publicity resulting in injury to brand reputation as well as an increased probability of civil or criminal legal action or involvement of regulatory authorities.

The need to develop a plan for risk mitigation, control mechanisms, and transfer mechanisms in advance of product failure is extremely important to control the cost of an adverse event and in some situations, can be critical to the survival of the organization responsible for the product failure. Given this situation, one would assume that all manufacturers and suppliers would prepare for product failure. Many companies lack the understanding of exposure or the strategy and resources necessary to respond, leaving investors and directors with tremendous liability. Other clients have been frustrated by the lack of options presented by a weary insurance market.

The risk management staff at Aon developed a Product Risks Mitigation (PRM) process for manufacturers to identify and mitigate the costs associated with product failure, increase productivity, and would make insurance a viable alternative to self-insured retention (SIR). The PRM provides a unique value proposition that unites the financial objectives of manufacturers with those of insurance carriers.

Companies interested in the PRM process will have a Product Risks Mitigation assessment completed that includes a thorough analysis of management procedures and controls. The assessment helps companies to identify potential weaknesses in their management of exposures related to their product logistics. More importantly, the framework of the assessment provides a common language for exposures, enabling internal managers and insurance companies to quantify the cause, cost, and probability of loss and implement the most effective action plan to respond to future potential product challenges.

The PRM provides a unique value proposition that unites the financial objectives of manufacturers with those of insurance carriers.

The PRM process addresses 15 key overall areas that cover several hundred business issues that relate to product safety and liability. These include:

1. management policy
2. product stewardship and organization
3. research and development
4. purchasing and sourcing
5. manufacturing
6. quality assurance and control
7. labeling, warnings, and instructions
8. packaging, warehousing, and shipping
9. marketing and sales
10. field service and installation
11. product recall
12. complaints and claims

13. legal strategy
14. record retention
15. auditing

The PRM process team would deliver a final product following the collection, review, and verification of companies' internal processes and results, finalize business element comments, and calculate risk assessment ranking by product safety element.

The results of the assessment will allow companies to develop the proper strategy to mitigate their product risks, participate in insurance in a preferred status, and reduce the potential for loss. In addition, the ability to reduce loss will also increase productivity and reduce the overall cost of operations.

Other benefits would include:

- A potential reduction in "product liability claims" in terms of frequency and severity that would result in significant cost savings.
- An independent evaluation and assessment of the Product Risks Mitigation strategies.
- A unique approach to quantify, rank, and prioritize the investments made in the "Product Risks Mitigation" areas.
- The ability to redeploy existing resources into programs and services that are ranked as higher priorities. ■

Mark Your Calendar!

We hope you'll join us at the CPCU Society's 2007 Leadership Summit, which will be held April 17–21, 2007, at the Rosen Shingle Creek Resort & Golf Club in Orlando, FL.

Watch for details in early 2007!

April 17–21, 2007

Identifying Drivers Who May Be "At Risk" of Becoming Involved in a Collision: MVR Analysis

by Paul Farrell

Paul Farrell is the CEO of SafetyFirst, a team of experts from the transportation, insurance, and software industries who specialize in reducing commercial auto collisions through management information systems and programs, such as 24/7 call center and "Safety Is My Goal" decals for vehicles. The decals feature a phone number to a call center encouraging motorists to report risk-taking behaviors by drivers. The company provides solutions in partnership with insurance carriers and transportation firms. More information can be found at www.safetyfirst.com.

Who drives your company vehicles? How are they qualified? Are you certain that their licenses are valid and not suspended? Many states do not physically "take back" the license—seeing it doesn't mean it is valid!

To protect your interests and help ensure a crash-free workplace, you must take steps to keep "at-risk" drivers from getting behind the wheel. Most firms (and their insurance carriers) have adopted a process of reviewing the Motor Vehicle Reports (MVR) (aka "Driving Abstracts") of their drivers.

According to current National Safety Council data, during 2003, motor vehicle collisions resulted in:

- 44,800 deaths, and
- 2.4 million nonfatal injuries

In fact, the most costly lost-time workers compensation claims by cause of injury, according to NCCI data, continue to be those resulting from motor vehicle crashes. These injuries averaged more than $27,500 per workers compensation claim filed in 2001 and 2002. Your investment in screening is vital to safety results!

MVR Analysis Overview

Along with licensing drivers, each state has a mechanism to enable employers and insurance carriers to obtain the history of that driver's tickets, violations, suspensions, and collisions (that have been reported by the police).

A great way to verify the validity of an employee's license, and to identify "at-risk" drivers is to look at their MVR. The MVR will let you know if the license is valid or under suspension, and the history of tickets and police-reported collisions.

- There are firms that enable you to order these reports centrally, instead of dealing with each state's own department of motor vehicles. The cost per MVR report ranges from $3 to $20 depending on various factors.
- Most companies that conduct MVR reviews do so at the time of hire for all new employees, and again, annually to see if there have been any changes to the records.
- Most companies use a "point system" to rate each driver's MVR—good, average, clean, and beyond reason (i.e. "terrible" or "unacceptable"). If a driver accrues too many crashes or tickets, he or she is removed from driving duties, and in many cases this equates to dismissal if no other position is available.
- MVRs are widely regarded as accurate, despite studies that challenge their completeness, and the ability of drivers to mask, hide, remove, or challenge items on these reports.

Benefits and Challenges of MVR Analysis

MVR analysis is a vital tool for fleet managers and insurance carriers. We strongly encourage all fleet administrators to routinely obtain MVRs. By pointing out some pitfalls, however, we are not questioning the value of this approach.

Benefit: This screening mechanism helps spot "at-risk" drivers who have a history of tickets and violations—hopefully before they have been offered a job.

Challenge: It makes sense that a "bad driver" usually continues to be a "bad driver"; however, a clear MVR (no historical data on crashes or tickets) does not necessarily equate to a "safe driver." Each year, drivers with "clean" MVRs are, tragically, killed or injured in collisions.

Is there a way to spot improper behavior of drivers without tickets or police-reported crash records? Safety hotlines provide this input.

Benefit: States encourage drivers to get education on how to drive safely. As an incentive to commit their time and money (often to contracted vendors who are not affiliated with the state), guarantees of "point removal" are made. In simple terms, take the class and get your MVR "sanitized" for better insurance rates.

Challenge: The practice of ticket/point removal for attending traffic school is that many "false negatives" are created—drivers who routinely get points removed, but continue to drive aggressively and continue to be "at-risk" drivers.

Companies that routinely use "defensive driving" programs to reduce points on their driver's MVRs may be masking an underlying program with dispatch, pressure to speed, or other concerns that could lead to an increased incidence of collisions despite a good MVR review.

"Real-time" reporting of actual behaviors witnessed on the road may provide a clearer picture of day-to-day activity that is dangerous, but does not result in a collision or a police-issued citation. Safety hotlines provide this input.

Benefit: The program has a predictable cost based on your employee turnover rate and the average number of prospects who

are discarded prior to selecting the final candidate. The benefits include spotting "troubled" drivers who need help from management.

Challenge: The program provides this benefit at a high cost to both your company and to your employees. The cost of a ticket, paid for by the employee, has additional costs in increased insurance rates for your employee's family and often your own company, too. The cost of collisions similarly affects the employee in a highly personal way when there are injuries or fatalities.

Wouldn't it be great if you could get this type of "indicator of behavior" information without incurring crashes or points on licenses?

Benefit: By updating existing drivers' MVRs annually (or more frequently), management can notice changes in behavior as time progresses.

Challenge: The program only provides a snapshot in time—it is not dynamically updated (except in certain states such as California). In other words, the day after you order the MVR, the affected driver may get a ticket, and you may not know about it until you update his or her MVR a year later.

Wouldn't it be great if you could get this information delivered by e-mail, direct to your desk as it happens throughout the year, regardless of what state is involved (and without the paperwork and fees of "pull programs")?

"False Negative" Issues In Depth

A "false negative" is a driver who may be "at risk," but has a clear or mostly clear MVR. These drivers may have had tickets or may drive unprofessionally, but their MVR doesn't indicate their relative risk factor. How does this occur?

1. **Purging**—According to a report issued by the National Conference of State Legislatures, "States also purge records to clear files and create additional storage space. When a state deletes prior serious violations from the record, however, the state risks losing valuable information about a driver. Moreover, if a driver transfers to a different licensing state, the new state may not be aware of the driver's previous record even if the new state is required to keep records about serious violations over a longer period of time. Ultimately, inconsistent purging practices could affect driver record accuracy, although no study substantiates this concern."[1]

2. **Diversion, Deferral, and Plea Bargains**—According to the same report mentioned above, "Statutes in 33 states specifically authorize diversion, deferral, masking, probation, or point or conviction removal for traffic offenders. These programs allow drivers to postpone prosecution or sentencing for traffic offenses, hide convictions posted to their records, or remove points or convictions from their records. According to the NCSL survey, 22 states use point removal, six states mask convictions, 20 states use traffic schools, 14 states use diversion, seven states defer sentences, and four states remove convictions. Additionally, diversion programs in at least seven states allow eligibility only for drug and alcohol cases."[2]

3. **Driving School Participation**—Other research, published by the Insurance Research Council (IRC) examined ". . . more than 50,000 traffic convictions in four states to determine the accuracy of MVRs."[3] Additionally, the report notes ". . . traffic schools and other conviction avoidance methods across the United States . . . further reduce the appearance of traffic violations on MVRs."[4]

4. **"Out of State Drivers"**—The IRC report also details a situation where drivers who receive tickets outside of their "home jurisdiction" may never see the conviction appear on their MVR: " . . . convictions for traffic violations issued to out-of-state drivers appeared even less frequently on motorists' driving histories. Nearly half (47 percent) of a sample of convictions were missing from MVRs in a separate analysis of Florida drivers who were convicted of traffic violations while in Connecticut."[5]

5. **Common Mistakes**—The IRC report also detailed that there are many instances where convictions simply do not make it onto MVRs for no apparent reason. "Twenty-two percent of convictions sampled in Connecticut and 21 percent of convictions sampled in Florida were not found on the respective drivers' MVRs. Also, 14 percent of traffic convictions from a sample in Ohio and 10 percent of sampled convictions from the state of Washington were missing from MVRs. The analysis was limited to those traffic citations that resulted in convictions, either from fines paid without contesting the charges or from guilty findings in court. It did not include any tickets dismissed through traffic school, court supervision, or any other legal methods that prevent traffic violations from appearing on MVRs."[6]

6. **Legal Tactics**—Although there have always been attorneys who will represent motorists in court to get tickets dismissed (DUI/DWI and excessive speed being common violations of concern), there has been an explosion of "self-help"

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Identifying Drivers Who May Be "At-Risk" of Becoming Involved in a Collision: MVR Analysis

Continued from page 11

strategies published freely across the Internet, which pledge to "prevent points on your driving record" (i.e. www.beatmytrafficticket.com, www.paynoticket.com, etc.).

Safety Hotlines as an Enhancement to MVR Analysis

Many companies use "safety hotline" (aka "How's My Driving?") data to uncover:

- behaviors that may lead to tickets and crashes, delivered "live" (as it happens) so that coaching may be offered in a timely fashion (to help improve behavior)
- issues with both newly hired drivers ***and*** existing drivers whose habits may be changing over time
- behaviors of drivers, hopefully before tickets and accidents occur, which have a high personal cost (family insurance rates, injuries, etc.) to the affected drivers
- "false negatives"—drivers who had prior tickets removed by participating in a traffic school, but still drive poorly/aggressively
- unreported drivers who only "occasionally" drive company vehicles
- drivers who were intentionally left off of the drivers' list by a location that knew about adverse history, but wanted to keep it from the corporate management team

Summary

MVR analysis ***is*** very helpful and necessary; however, to ignore the potential shortcomings may leave a gap in your risk management efforts.

- "False negative" reports represent drivers who may be "at risk," but may not be recognized as needing help.
- Safety hotline programs provide additional, timely insights into driver behaviors.
- Safety hotline programs do not replace MVR review, but enhance its results by dealing with some of the timeliness of reporting and "false negative" issues. ■

Endnotes

1. "Driver History Records for Commercial Drivers," December 2001—National Conference of State Legislatures.
2. Ibid.
3. Accuracy of Motor Vehicle Records: An Analysis of Traffic Convictions, Summer 2002—Insurance Research Council.
4. Ibid.
5. Ibid.
6. Ibid.

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