

Message from the Chairman

by Debra L. Dettmer, CPCU



Debra L. Dettmer, CPCU, is director of risk management claims and loss prevention for FCCServices, a consulting firm for captives, risk management, and insurance needs. She has been with FCCServices for almost 23 years. She is responsible for the claims administration of 14 different insurance lines for the Farm Credit System's captive insurance company as well as developing loss prevention models and guidelines for this customer. Dettmer obtained her CPCU designation in 1987, and is a past president of the CPCU Society's Colorado Chapter. She also teaches CPCU classes on occasion.

For the first time, the CPCU Society granted a new level for the Circle of Excellence Award—Gold with Distinction. The Loss Control Interest Group and the Claims Interest Group received these awards. Our submission totaled 109 points, and only 40 are required to achieve the Gold level! What is amazing is that we achieved this unheralded level with just under 10 percent of our membership responding to our requests for input. I would like to acknowledge and thank all of our contributors: David Hall, Ken Kanehiro, Ed Wilmot, Eli Shupe, Jane Wahl, Bruce Hull, Julie Sealey, Jill McCook, JoAnn Robertson, Dennis Ray, Charlie Morgan, Eli Stern, Maurice Southwell, Cindy Dieck, Ambika Williams, Jan Dimond, Chris Conti, and myself. Our group has more contact with the general public than many disciplines within the insurance industry so it is my opinion that we can continue to champion the CPCU designation and our profession. Please keep up the good work.

The Loss Control Interest Group sponsored two seminars at the CPCU Society Annual Meeting and Seminars in Hawaii. We teamed up with the Information Technology Interest Group to conduct a tabletop exercise for pandemic planning. Eighty participants worked their way through a pandemic scenario that ultimately quarantined the island of Oahu. The participants kept me running from table to table with all of their comments and questions—believe me . . . no one fell asleep during this session even though it was first thing in the morning.

Our second session focused on driver safety. We had two excellent speakers talk about the age-related factor in

driving accidents—both young and old. **Paul Farrell**, CEO of Safety First, has been a contributor to our Loss Control Interest Group newsletter and did an excellent job introducing the topic with some very scary but interesting statistics. He discussed some of the safety measures that have been attempted and the reasoning for the success or failure of those efforts. **Dr. Richard Harkness**, CEO of ADEPT Driver, shared a new program that has been proven to reduce teen-age accidents, and is currently being evaluated and modified for elderly drivers. Our participants were very engaged and asked many questions.

Your committee has been very active in completing its SWOT analysis for the Interest Group Resources and Governance Task Force. This information was sent to you by e-mail,

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but I'd like to take the opportunity to repeat it here—please be sure to contact us immediately if you have any changes or suggestions:

Strengths

- we have a lot of face-to-face contact with the general public
- wealth of resources—amount and variety of expertise
- technical expertise
- diversity of group both in specialties and background
- average experience in loss control industry is high

Weaknesses

- size of committee membership
- CPCU is not the most desired designation among loss control professionals
- lack of support from employers
- lack of younger recruits into the loss control arena
- technical nature may scare people away
- inability to get people to go above and beyond, e.g. hard to get quality articles for newsletter
- proliferation of low cost alternative (fee services) so insurers don't staff

Opportunities

- Internet can take us to another level and especially reach younger generation
- networking with other organizations—they need our help
- recruit to the industry, e.g. training and education programs from elementary school to colleges
- Is it possible to promote, such as the Safety Professional of the Year that ASSE gives and Risk Manager of the Year through *Business Insurance*?
- being active in CPCU differentiates you as an employee

- provide loss control speakers/information on the Loss Control Interest Group for local chapter I-Day
- target articles, speakers on new and innovative trends in loss control versus what is already familiar—this will generate interest from experienced loss control staff and also be interesting for younger recruits.

Threats

- CPCU interest group study and plan to possibly reduce interest groups
- lack of support due to lack of recognition of value
- lack of time
- soft market reduces insurer budgets
- budgetary issues for Society (interest group income)

As of 2009, each CPCU Society member will be given one interest group membership for free! Your Loss Control Interest Group Committee is continually looking for opportunities to add value to your membership. You should have received an e-mail inviting you to participate in our survey. The Society generously donated a \$50 gift certificate to encourage your participation, and I'd like to thank those of you who responded. You can be assured we will use this information as we plan the future activities for your interest group. If you missed the survey, feel free to send me your comments, suggestions, or complaints to cpculosscontrol@gmail.com.

Finally, we are always looking for members to join our committee. Each member is able to customize his or her participation—we have several members whose employers do not support the travel cost to the mid-year and annual meeting. Those members participate in our semi-annual phone calls. Some of our committee members complete our newsletter—gathering articles from peers or other published sources or some even write an article. If you are interested in joining our committee or any of

the task forces for the implementation of the Interest Group Resources and Governance recommendations, please contact me at the above e-mail address.

Thanks again and keep sending us those activities for the Circle of Excellence Recognition Program.

Happy 2008! ■

Recordkeeping: OSHA 300

by Christopher D. Conti, CPCU, CSP, ALCM, ARM

Christopher D. Conti, CPCU, CSP, ALCM, ARM, is the owner of RiskWise, a loss control and injury management company founded in 2000. He has more than 16 years of experience in the field of workers compensation in such roles as loss control representative, underwriter, and account executive. As an underwriter, Conti earned Region of the Year in loss ratio and production for two years in a row. As an account executive, he earned the STAR Award for Innovation. He holds a BSBA from the University of Louisiana, is a Board Certified Safety Professional (CSP), a Chartered Property Casualty Underwriter (CPCU), an Associate in Loss Control Management (ALCM), and an Associate in Risk Management (ARM). He is an OSHA Instructor for General Industry and Construction Standards. Conti has written and published more than 30 articles on risk management and loss control topics. He is a member of the CPCU Society and the American Society of Safety Engineers; and is a committee member of the CPCU Society's Loss Control Interest Group.

As OSHA continues to reach out to employers to encourage a higher level of compliance with OSHA standards, a simplified method of recording workplace injuries has been developed. The new OSHA Log of Occupational Injuries and Illnesses is simplified in format and language.

The OSH Act of 1970 requires (certain) employers to prepare and maintain records of work-related injuries and illnesses. Up to now, the required form was the OSHA 200 Log of Occupational Injuries and Illnesses. We will record and maintain all necessary forms and documentation about our safety program as well as all recordable injuries and illnesses.

This information is to advise you that we intend to comply with Section 1904 of

OSHA's regulations. Any employer with 11 or more employees in most industries must keep the following two OSHA records:

Effective January 1, 2002, the OSHA 200 Log of Occupational Injuries and Illness was replaced by the much simplified OSHA 300. The Code of Federal Regulations (CFR) 1904.4-1904.7 is the section that explains the new rules. This improved form should reduce the amount of paperwork needed to comply with injury tracking.

The OSHA 300 Log is used to record the annual injuries and illnesses in the workplace. The 300 Log is used to classify work-related injuries and to note the severity of each case. The injury must be logged within seven calendar days.

The OSHA 300 A is the summary of those injuries/illnesses that must be posted each year for three months, February 1 to April 30, after the appropriate columns have been tabulated.

The OSHA 301 is the OSHA Injury/Illness Report, which gives the basic information and the details about the injured worker. If your workers compensation injury report meets the basic data of the 301, then the employer can use that form to comply. This form must be kept for five years.

Employees are allowed to access their individual 301 form or the equivalent substitute.

Each location of an employer must maintain and post the OSHA 300 Log if the location will be in operation for a year or more.

Exempt Employers

Employers with 10 or fewer workers do not need to maintain the OSHA 300. The industries of real estate, finance, insurance, retail, and other low-hazard industries do not need to comply.

Required entries to the OSHA 300 Log are:

- death (except from a commercial vehicle)
- loss of consciousness
- days away from work
- restricted work activity or job transfer
- any other significant work-related injury
- needlestick or cut by a sharp object contaminated with another person's bodily fluid
- any medical monitoring as required by OSHA
- tuberculosis infection, evidenced by a positive skin test or doctor diagnosis
- medical treatment, beyond first aid

First aid cases, those injuries that receive in-house care, *do not need* to be logged on the OSHA 300. First aid is generally defined as post-injury care:

- at the employer's location
- providing short-term, one-time treatment
- cleansing, flushing, and soaking
- multiple application of first aid is not medical treatment
- administering non-prescription medication
- using hot or cold therapy
- draining fluid from a blister
- removing foreign bodies from the eyes
- any doctor visit for diagnostic purposes

Restricted work activity means a health care professional has prescribed keeping an employee from doing his or her normal routine functions of the job. Count calendar days starting the first day *after the injury* up to a maximum of 180 days (six months).

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Procedures for workers to report injuries and illnesses to their employer must be developed and communicated. This can be as simple as a poster stating that all workplace injuries must be reported to the supervisor immediately.

The new 300 OSHA Log has delayed the requirement to log:

- hearing loss, when there is a 25 decibel or more shift @2000 Hertz
- musculoskeletal or ergonomic injuries

Privacy concerns—names may be eliminated and the word “*privacy*” inserted for any injury to a reproductive system, a sexual assault, mental illness, HIV infection, needle sticks, or employee request.

If the data changes after you have made an entry, simply draw a line through the old entry and write the new information above it.

Injuries include: lacerations, fracture, bruise, electrocution, sprain, and others.

Illnesses are heat strokes, skin disorders, respiratory conditions, poisoning, and others. ■

To calculate your Incidence Rate:

$$\frac{\text{Total # of Injuries and Illnesses}}{\text{Total hours worked by all employees}} \times 200,000 = \text{Incidence Rate}$$

Just a *Normal* Day on the Job

by Christopher D. Conti, CPCU, CSP, ALCM, ARM

In America, on average 15 people a day die from workplace accidents. That adds up to roughly 5,475 fatalities a year from workplace accidents. We lost 57,000 American soldiers in Vietnam between the years of 1960 and 1973. In that same time frame, 13 years, we lost 71,175 American workers. In that same time period, we lost 653,000 lives in vehicle accidents. Another senseless loss of life comes in the form of hard-working people trying to earn a living and being killed in the process. Of significant concern is that many of these workplace fatalities can be prevented.

According to the Census of Fatal Occupational Injuries issued by the Bureau of Labor Statistics, the daily deaths, on average, occur as follows:

- three workers killed in vehicle accidents
- workers die from falls from elevations (scaffolds/ladders)
- one worker killed by a falling object (tree/brick/hammer)
- one worker killed in a construction zone
- one worker killed in an air/water or rail accident
- one worker killed by being caught in a machine

- three workers shot to death (such as cashiers)
- one worker killed by fire or explosion
- one worker killed by an off-road vehicle (tractor or forklift)
- one worker electrocuted

This amounts to 15 people who won't be going home to their families.

This represents unnecessary loss of life. This also constitutes a lack of leadership in workplace hazard analysis. OSHA has standards to prevent almost every one of the fatalities mentioned. There is no such thing as a normal day! ■

Driving Miss Daisy: Fleet Safety and Older Drivers

by Paul Farrell

Paul Farrell is a fleet safety specialist with 20 years of experience in authoring fleet safety programs within the insurance industry. Presently Farrell serves as the CEO of SafetyFirst Systems, a leading provider of fleet safety products including employee management database services, safety hotline services, and driver training packages. SafetyFirst monitors more than 175,000 drivers from 3,800 fleets including many that operate as nonprofit organizations.

Editor's note: This article originally appeared in the CPCU Society's August 2007 issue of *Underwriting Trends*.

Historically, injuries and fatalities caused by vehicles have taken a terrible toll on people's lives, cost insurers millions of dollars, and disrupted employers' operations. In fact, motor vehicle crashes in the United States continue to be:

- the leading cause of workplace fatalities
- the most costly lost-time workers compensation injury
- one of the leading causes of off-the-job, unintentional injury

One area of traffic safety that periodically makes national headlines is older drivers

and tragic crashes that occur when they may no longer be qualified to operate their vehicles due to age-related cognitive or physical limitations.

For instance, in October 2005, a St. Petersburg, Florida resident hit a pedestrian and severed the pedestrian's leg. Instead of stopping and getting help, the man continued to drive another three miles with the pedestrian's body lodged in his car's windshield. Ultimately, the driver was stopped by a tollbooth operator who contacted the police. The driver was 93 and had begun to show signs of dementia at least a week before the accident. The driver had renewed his license in 2003, and was not scheduled to renew it until 2010.

In 2003, a California resident, age 86, killed 10 bystanders and injured 63 others at a farmers' market in Santa Monica. The driver said he was trying to stop, but may have confused the gas and brake pedals as his car crashed through three blocks of pedestrians and parked vehicles. In November 2006, the driver was sentenced to probation.

As recently as June 15, 2007, a 92-year-old California resident confused the gas and brake pedals while trying to park his vehicle and ended up killing a bystander in a local San Diego community.

Tragedies like this spur a lot of discussion about public safety, license renewal issues, and the rights of older drivers to continue driving.

Age and the Need to Drive

According to the Administration on Aging (AoA), older citizens (aged 65+) make up roughly "... 12.4 percent of the U.S. population, about one in every eight Americans." However, "By 2030, there will be about 71.5 million older persons, more than twice their number in 2000."

It is expected that this generation will spend much more time "behind the wheel" of a car or truck than previous generations. For older citizens, driving provides a "lifeline" to meet daily needs and engage in social activity. For some, driving will also be a key part of obtaining an income.

In fact, AoA's statistics reveal that older Americans contribute to "... one of the highest labor force participation rates in the developed world." Several factors are driving this trend:

- Continuing advances in medical treatments that have extended the average lifespan.
- Some older workers are delaying retirement due to financial concerns, for personal fulfillment, or to enjoy the social relationships associated with working.
- To many employers, the 70-plus million members of the "baby boomer" generation represent a tremendous resource pool of experience and skills.

How will this shift in workplace demographics affect fleet safety results?

Age and Traffic Safety Results

Traffic safety specialists have long observed an odd distribution of mileage-based crash rates based on the age of the driver. The crash rates of very young

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drivers and those of older drivers tend to be much higher than drivers in the “middle” of the age range. This produces an “inverted bell curve,” or simply a “U”-shaped curve.

A great deal of crash information has been developed for older drivers. Generally, older drivers take few risks and try to follow recommended practices. The Centers for Disease Control and Prevention (CDC) observes that:

- Older adults wear safety belts more often than any other age group.
- Among older occupants involved in fatal crashes, 75 percent were using restraints at the time of the crash, compared to 62 percent for other adult occupants (18 to 64 years old).
- Older adult drivers tend to drive when conditions are safest. They limit their driving during bad weather and at night, and they drive fewer miles than younger drivers.
- Older adult drivers are less likely to drink and drive than other adult drivers.
- During 2005, most traffic fatalities involving older drivers occurred during the daytime (79 percent) and on weekdays (73 percent); 73 percent of the crashes involved another vehicle.

Despite these positive trends in behavior, the Insurance Institute for Highway Safety (IIHS) provides additional insights into older drivers’ crash statistics:

- Forty percent of the fatal collisions of people 70 and older occur at intersections and involve other vehicles.
- Thirty-seven percent of drivers aged 70 or older failed to yield the right of way at intersections (more commonly at stop-sign controlled intersections than traffic-signal-controlled intersections).

Beyond drivers’ behavioral patterns, a significant factor that influences traffic safety results among older drivers is the

treatment of crash injuries. As people age, their bodies become less efficient at healing, bones become more brittle, and various body systems decline in efficiency. These physiological conditions directly influence the traffic safety results—longer hospital stays and increased mortality rates.

A NHTSA study titled, “An Aging Population: Fragile, Handle With Care” notes that:

1. Older drivers (60+) had more than twice the mortality rate than younger drivers (<60).
2. Older drivers take longer to recover than younger drivers. “Given equivalent injury scores, the over-65 age group has higher admission rates, hospital length of stay, and mortality than younger patients. Despite a distinct tendency to be more aggressive in the treatment of the elderly, especially with regard to internal fixation of fractures, the rate of recovery is much slower, and the older age group requires nearly double the number of outpatient visits post-op.”

Serious motor vehicle crash injuries among older drivers tend to be chest injuries with rib fractures. Difficult to treat at any age, some commonly encountered age complications include bone brittleness (more likely to fracture, more fractures per case), preexisting medical conditions or diseases (especially chronic conditions such as heart disease, cancers, etc.), and organ damage (organs are normally protected by ribs, but may suffer damage during a crash where the ribs are fractured).

Factors Leading to Increased Crash Risk among Older Drivers

Senescence, or the process of aging, affects drivers’ crash risk in two areas:

- biological/physiological changes
- mental/cognitive changes



As mentioned in the previous section, body changes can include: loss of muscle and bone mass, lowered metabolic rate, lower reaction times, and declines in organ performance including immune functions. As a result of (or complication of) the normal aging process, diseases may appear such as Diabetes Mellitus (DM). A University of Rochester study found that changes in hormone levels (often associated with the aging process) may also affect diverse issues such as kidney regulation and even hearing.

One of the most common physiological changes as we age is our ability to see clearly. Older drivers may have impaired or diminished visual acuity due to:

- changes in eye shape
- the development of cataracts
- lens degradation
- diseases affecting vision such as Glaucoma, Macular Degeneration, HIV, Diabetes

Driving with impaired vision can directly lead to crashes, especially during situations with road glare, twilight conditions, or low sun angle (sun directly in eyes). A re-evaluation of vision testing,

including the types of tests, is slowly occurring among several states' licensing agencies since visual acuity is a key concern for traffic safety.

In addition to physiological changes, decreases in cognitive ability can affect judgment and situational awareness. Common forms of mental impairment include:

- dementia, Alzheimer's
- emotional duress (living on fixed income, rising costs, inadequately funded retirement, rising medical costs, loss of spouse, limited network of resources and support team)

Finally, impairment of body or mind functions may be caused through the intake of prescription medication(s) for other conditions.

What Can Be Done to Diagnose and/or Assist Older Drivers?

Since individuals age uniquely, it is possible that an older person may be in better physical and mental condition than others who are several years younger. Also, older drivers' fitness to operate a vehicle (on or off the job) may change suddenly based on the natural aging process or the onset of age-related disease.

Since the issues are rooted in body and mind condition (not simply a person's age), the most promising programs focus on health and performance monitoring, and licensing practices.

Self-Evaluation and Education

Conscientious drivers may want to monitor their own health and driving performance, and proactively participate in tailored training programs to bolster driving skills. This enables them to take responsibility for their own actions, and preserve their safe driving records.

Currently, there are a number of driver safety programs available for older drivers, and more are under development.

Programs available for older drivers range from basic driver's education presentations to software tools that exercise and measure cognitive functions. Some examples of resources to aid older drivers:

- AARP offers a driver training program tailored to drivers who are over age 50. Described as the "... first and largest refresher course for drivers age 50 and older ..." almost 590,000 students participated in a classroom driver training program during 2006.
- AAA has developed a program called "Roadwise Review": a CD-ROM-based program that enables seniors to measure "... the eight functional abilities shown to be the strongest predictors of crash risk among older drivers."
- AdeptDriver.com has previously provided teen driving programs and is preparing to release a program for older drivers.
- A company called Cognifit produces several software programs (i.e. MindFit, DriveFit, etc.) that enable clients to exercise and measure cognitive tasks like "... visual search, time estimation, naming, categorization, visual short-term memory, auditory short-term memory, location memory, spatial orientation, planning, ability to inhibit planned action, speed of reaction, and hand-eye coordination."
- www.agenet.com—Offers a self-evaluation checklist for older drivers.
- www.seniordrivers.org—Provides various bulletins and resources for older drivers.

Unfortunately, older drivers may not be inclined to participate in routine self-evaluation since the potential outcome may be a negative one (to stop driving).

Employer-Based Performance Monitoring

Employers have the option to use various tools to monitor the driving performance of all their employees (regardless of age).

These "driver monitoring systems" help document behaviors and provide a basis for peer coaching or retraining when driving becomes erratic or unsafe.

Driver monitoring systems range from "How's My Driving?" call-in programs to satellite-based Global Positioning Systems (GPS) and camera-in-cab video recorders.

- "How's My Driving?" programs have been widely documented by insurers and fleet managers as effective in most commercial use (business use) settings. Crash rate reductions of 20 to 30 percent are common when reports are consistently used for coaching and re-training. The application of these programs to personal use driving has been inconsistent, poorly documented, and focused on teen drivers. For employers, this type of program can benefit all business drivers regardless of age.
- GPS systems can provide turn-by-turn directions and positive location of the vehicle. Despite many benefits for users, these devices could add to driver confusion and distraction if they are improperly used while driving. Additionally, their ability to provide "behavioral" insights is largely limited to speed and direction unless specially equipped with additional sensors (i.e. to detect hard braking, abrupt lane change, etc.).
- Camera-in-cab video recorders have recently been introduced to help document fleet driver and teen driver behaviors, but may have some application for older drivers, too. Designed to capture risky driving maneuvers on short video segments, the benefit of the program comes from coaching and retraining after careful analysis of the video clip. The video may be discoverable during litigation following a crash. Relatively new to the traffic safety arena, there has been limited documentation of this system's effectiveness (client-specific

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testimonials only, no large-scale, statistically relevant studies published).

Each of these systems depends on supervisory support in the form of coaching or retraining based on data developed from the program.

Routine Health Screening and “Fitness to Drive” Reporting

Discussing a person's health and fitness to perform physical tasks (related or unrelated to employment) is highly personal and can be emotionally stressful. Separating opinion and speculation from medical fact requires professional diagnosis/testing of a driver.

Drivers who operate “commercial motor vehicles” (those subject to Federal Motor Carrier Safety Regulations) must satisfy a periodic medical evaluation by a licensed physician. The regulations specify key areas of fitness that must be evaluated: blood pressure, vision, hearing, cognitive ability, etc. These regulations typically affect drivers of extra-heavy, interstate, long-haul operations. Contractors, local delivery, sales and service operations are usually not subject to these types of regulations.

Older drivers who voluntarily visit their “family doctor” for a checkup or a diagnosis may be reported to the local Department of Motor Vehicles if the doctor suspects that the driver is a danger to him or herself or the general public, and will not voluntarily surrender his or her driver's license.

While the American Medical Association (AMA) has published voluntary guidelines for reporting unsafe drivers, state law varies greatly on physician reporting. In most states, physicians are not legally obligated to report unsafe drivers. In a small number of states, physicians are required to report unsafe drivers, and are provided with immunity from liability.

Pennsylvania's Department of Motor Vehicles (DMV) statistics show that more than 20,000 new physician reports are submitted annually. Further, these reports result in modification of existing licenses (adding or deleting restrictions) and in some cases (estimated to be 14 percent

of the total) recall of driving privilege. In Pennsylvania, physicians who do report drivers who are unsafe are immune from civil or criminal liability.

Some states have introduced “accelerated renewal” cycles after some threshold age has been met.

In Canada, physicians are obligated to report unsafe drivers; however, the larger question of whether doctors should be required to report “unfit to drive” requires a delicate legal balance between a patient's privacy and public safety.

A state-by-state breakdown of reporting requirements is included in the AMA guide. Additionally, each state's DMV provides information on its web site regarding physician and/or family member reporting of unsafe drivers.

Of course, not all drivers routinely visit their doctor. Yet, the principal factors leading to increased crash risk suggest that a periodic physical and mental (cognitive) evaluation would be potentially life saving.

Short of a clinical diagnosis of a cognitive or physical impairment, observed unsafe driving performance forms the basis for voluntary reporting in several states (i.e. California, Missouri, et al). If the behavior of an older driver becomes erratic, then a family member, neighbor, or employer could intervene by filing a report with the state. These reports typically lead to an evaluation of the

affected driver by a medical board or other professional committee (similar to the outcome of physician reporting practices). Generally, these reports must be made in writing and include contact information for the complainant.

Changes in Licensing Practices

State-issued driver's licenses are a key to mobility, continued employment, and sense of independence or vitality. Removal or restriction of driving privileges is highly emotional and will likely force radical changes in the life of those drivers affected; however, this may be the last line of public safety's defense against medically unqualified drivers. Testing programs can be used to safely extend driving privileges for as long as possible, but many states do not re-test drivers upon license renewal (at any age).

In most states, a renewal notice is sent automatically if there are no outstanding suspensions or revocations. Many allow renewal by mail or online (no in-person visit required), and those renewal periods range from two to eight years. In the past, a Tennessee resident's license never expired after age 65! (Tennessee is presently moving all drivers into a standard five-year renewal cycle.)

Some states have introduced “accelerated renewal” cycles after some threshold age has been met. These shorter renewal cycles provide opportunities to test the qualifications or fitness to drive of renewal applicants. Some restrict renewal by mail privileges after a certain age, requiring applicants to appear before a clerk.

Regardless of renewal cycles, some states have added special provisions for older drivers such as vision checks and road tests. California is presently evaluating a new eye test call the Pelli-Robson contrast sensitivity test as an alternative to the Snellen eye test that was originally developed in 1862 to measure sharpness of vision, not general vision under low-contrast situations common to driving. According to a recent *Sacramento Bee*

article, "The Pelli-Robson contrast sensitivity test shows if drivers will have trouble seeing dark objects in the shadows or light objects, such as a gray truck, in the fog." Other states have considered the need to modify vision testing based on modern research.

A state-by-state summary of licensing procedures for older drivers was recently updated at the Insurance Institute for Highway Safety (http://www.iihs.org/laws/state_laws/older_drivers.html).

Some states' licensing laws specifically prohibit administrators from treating people differently solely by virtue of advanced age. This is an example of the confusion surrounding the underlying cause—medical condition, not age; however, it can be argued that when tying special testing to age, it becomes an age issue.

States should be careful to balance the need to properly protect the public from unsafe drivers, but the manner in which that goal is accomplished will not likely be through changes to licensing alone:

- A proper balance of public safety and personal freedom must be ensured.
- The goal of testing should be to properly qualify drivers, not to remove privileges based on age alone.
- Unfair discrimination based on age should be avoided.
- Social safety nets should be in place, easily accessed, and fully funded (accessible, dependable transit options for both urban and rural citizens).

Summary

Older drivers are typically very safe. They take few risks and may depend on their ability to drive for social interaction, getting to the grocery store, and perhaps to earn an income. Unfortunately, crash rates based on miles driven are high among older drivers.

Despite a multitude of factors that lead to crashes, older drivers have an increased risk of crash and fatality due to:

- declining visual acuity, changes in the shape of the eye, cataracts, etc.
- decreases in cognitive ability, especially with the onset of various disorders such as Alzheimer's or dementia
- fragility or a susceptibility to being injured and difficulty recovering from extensive injuries
- potential impairment through proper use of medication(s)
- onset of, and complications related to, age-associated diseases

Minimizing the potential for crashes and injuries incurred by older drivers can be accomplished when:

- Self-monitoring and tailored education are treated as important by the older driver.
- A monitoring program is in place to notice key behavior or performance changes and provide positive coaching feedback as needed.
- Physicians are part of the team, monitoring key health issues and providing professional support to the driver and his or her family (and employer in the case of commercial motor vehicle drivers).
- Licensing programs treat drivers respectfully and fairly, but with public safety properly balanced.
- Government agencies provide practical alternatives to driving when driving is no longer an option for older citizens. ■

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2007–2008 Loss Control Interest Group Committee

Chairman

Debra L. Dettmer, CPCU

Farm Credit Council Services
Box 5130
Denver, CO 80217-5130
Phone: (303) 721-3266
E-mail: Debbie.Dettmer@FCCServices.com

Webmaster

Eli D. Stern, CPCU

ISO
15013 Spinnaker Cove Lane
Winter Garden, FL 34787
Phone: (407) 614-4299
E-mail: estern@iso.com

Newsletter Editor

Charles H. Morgan, J.D., CPCU, CLU, CSP, ARM

E-mail: cmorgan917@gmail.com

Newsletter Assistant Editor

Julie L. Sealey, CPCU

Crum and Forster
305 Madison Avenue
Morristown, NJ 07962
Phone: (973) 490-6555
E-mail: julie_sealey@cfins.com

Christopher D. Conti, CPCU, CSP, ALCM, ARM

RiskWise
16086 Acadia Dr.
Prairieville, LA 70769
Phone: (225) 413-7542
E-mail: chris@riskwise.biz

Jan M. Dimond, CPCU, CLU, ChFC

State Farm Group
7401 Cypress Gardens Blvd
Winter Haven, FL 33888-0001
Phone: (863) 318-3401
E-mail: Jan.Dimond.BMW@StateFarm.com

Bruce R. Hull, CPCU, CLU

State Farm Insurance
500 South 84th
Lincoln, NE 68510-2605
Phone: (402) 327-3400
E-mail: bruce.r.hull.akqk@statefarm.com

Jill Dianne McCook, CPCU

State Farm Group
900 Old River Road
Bakersfield, CA 93311
Phone: (661) 663-5361
E-mail: jill.jonesmcCook.cxr7@statefarm.com

Maurice E. Southwell, CPCU, CLU, ChFC

ISO
545 Washington Blvd
Jersey City, NJ 07310-1686
Phone: (201) 469-2810
E-mail: msouthwell@iso.com

Liaison

John J. Kelly, CPCU, CLU, ChFC

CPCU Society
720 Providence Rd.
Malvern, PA 19355-3446
Phone: (610) 251-2773
E-mail: jkelly@cpcusociety.org

Minutes from Loss Control Interest Group Committee Meeting—September 8, 2007

The Loss Control Interest Group Committee met on September 8, 2007, in Honolulu, Hawaii.

- The CPCU Society's 2008 Annual Meeting and Seminars theme is "CPCU: Heritage & Horizons" and will be held September 6–9 in Philadelphia, PA.
- Society shift toward online learning—purchased two software programs "Go to Meeting" and "Go to Webinar." By 10/15/07 instructions will be available. The Society will let us know when we can conduct our own webinar. Risk Management Interest Group will be doing first webinar in November. Only charge is phone—toll free versus pay—still debating if Society wants to do this as a money making event. Will be up to each interest group to determine what they do.
- **Ambika T. Williams, CPCU**—suggested conducting a survey to ask members what topics they would like included in the webinars.
- Possible collaboration with outside groups or other interest groups.
- A large percentage of Society members are over 40. Concern of Society for succession planning.
- Process for selecting interest group governors—40 people on board of governors. Very challenging to get anything done with this number of advisors. Restructure to include vice-governors to manage local chapters and reduce number of governors.
- Loss Control Interest Group has 194 members. Personal Lines Interest Group membership is 235.
- Circle of Excellence—Loss Control Interest Group received Gold with Distinction level for 2007. Concern with using work-related topics to count toward submission. Discussion around this. Not supposed to include if work-related. Hard to not have included.

- IGRG—Interest Group Resources and Governance—All CPCU Society members will receive free membership in an interest group in 2009 (OS4). The Society currently has 28,000 members. There are more than 6,000 paid interest group memberships.
- We will most likely not be merged with the Risk Management Interest Group.
- Subtask forces are not formally meeting in Hawaii. **Ambika T. Williams, CPCU**, is on Scorecard (Circle of Excellence); **Julie L. Sealey, CPCU**, is on newsletter. If anyone still wants to volunteer for a subtask force, volunteers are still needed on the following subtask forces: Scorecard, Realignment, SWOT, Quality Education Outreach—webinars, newsletter, and web site (three separate task forces.) Contact **Kathleen J. Robinson, CPCU, CPIW**, if interested at krobi@tds.net.
- Society did not approve opening interest groups up to non-CPCU Society individuals. Will be further evaluated.
- Karl Jacobson e-mailed Debbie, Senior VP of Loss Prevention at Liberty Mutual in Boston. Organizing a meeting of 40 to 50 people interested in loss control. Was forwarded a copy of our SWOT analysis and thought it aligned with its focus. Sponsored by IBHS, ISO, and BCSP. Will be having meeting sometime in November. Members coming from PCI, AAI, and NAMIC. Focus on recruitment and attraction of young professionals and measuring the value of the loss control profession. Debbie will forward information to us so that anyone close to the meeting location might attend.
- Doug visited meeting talked about OS4 and alignment of the organization. Fourteen members on group.

Newsletter

- A volunteer is needed to help **Charles H. Morgan, J.D., CPCU, CLU, CSP, ARM**, with the newsletter.
- Debbie has a list of 30 articles written by **Christopher D. Conti, CPCU, CSP, ALCM, ARM**, that we can use in the newsletter. He is working with the RIMS Board for online classes. CSP credit is available for writing articles and serving on committees. If any committee members see articles in other publications useful for the newsletter they should send them to Charlie and he can get permission to reprint.
- Need to include a question on the survey for CSPs—did you know you can get credit for writing an article for the newsletter?

2008 Annual Meeting Committee—Diane Felder

- Doris Kerns Goodwin, historian, will be the keynote speaker and talk about her new book *Team of Rivals*—the political genius of Abraham Lincoln. She was cleared of a plagiarism charge in 2002. Theme will be CPCU: Heritage & Horizons.
- Ideas for 2008—Be sure to request Sunday or Monday time slot.
 1. How do we continue to master the fundamentals with ever-changing influences?
 2. Old ideas that can be redrawn to work in today's environment.
 3. What have we learned from the changes of the past that we can use to avoid making similar mistakes in the future?
 4. Business Process Outsourcing—How do you loss control the exposure? Products liability?
 5. Securitization of catastrophe risks as a means to create capacity in coastal markets.

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- 6. The next wave of predictive modeling—what's next—how will the industry respond if certain elements are legislatively removed?
- 7. What will the retiring baby boomer generation mean for the insurance industry?
- 8. The effect of multiple distribution on channel-specific issues.
- 9. Comparing and contrasting market approaches to coastal issues. Legislative responses of different states—SC, FL, LA, NY, CA. What works, what doesn't?
- 10. History of insurance from its beginning in Philadelphia in the 1700s through today.
- Two-hour minimum session time.
- **James L. Britt, CPCU**, will have a panel of CEOs from companies—Main Street America Group, State Auto, Selective, and someone from the west coast.

Chris O'Donnell, CPCU, interest group governor, visited the meeting.

Possible 2008 Seminar Topics

- History and horizons of loss control from a product liability perspective—changing in today's environment with respect to business process outsourcing.
- How do you “loss control” BPO?
- Important to know level of audience for speakers—may make more attractive for speakers to commit to presentation and attract better speakers. Since speakers have to pay their own way—have to sell the benefit to them.
- National Treasures—loss control for protecting family heirlooms. IMUA (Inland Marine Underwriters Association) in NYC. **Maurice E. Southwell, CPCU, CLU, ChFC**, knows a member close to Philadelphia.

Could then go into personal articles and commercial IM.

- Identity theft—sharing of personal and business information. Possible speakers—Tom Previs, former police officer, AIG network security product.
- Terrorism—possible topics?

Survey

- **Ambika T. Williams, CPCU**, passed out list of possible questions and gave **Debra L. Dettmer, CPCU**, a list of possible organizations to include in solicitation.
- Survey Monkey—fewer than 100 responses is free. Charge for more than 100?—Ambika will check on. Give two to three weeks to respond.
- Discussed the survey—need to include: industrial hygienist, ergonomist—need to get specifics from loss control specialist—**Julie L. Sealey, CPCU**. Define questions 1 and 2. Add CIC to Q2. BCSP, American Society of Home Inspectors, AIA, IIA.
- Ambika will get picture from **Eli D. Stern, CPCU**, to download to survey. Prize is a \$50 gift certificate to the Society Shop. Discussed rearranging order of questions.
- Ambika will send a link to the survey for our final review prior to posting on Survey Monkey. ■

Vehicle Safety and Nonprofit Organizations

by Paul Farrell

According to GuideStar, a nonprofit research organization, there are more than 1.5 million nonprofit organizations throughout the United States. Many of these organizations operate one or more vehicles for business purposes. (This includes the use of personally owned cars driven for business purposes like taking checks to the bank, delivering employees to an off-site meeting, etc.)

Annually, there are more than 45,000 fatalities and more than two million disabling injuries from motor vehicle crashes (NSC Injury Facts, 2005–2006 Edition). In fact, according to the National Safety Council, “The most costly lost-time workers compensation claims by cause of injury . . . are for those resulting from motor vehicle crashes. These injuries averaged more than \$32,900 per workers compensation claim filed in 2002 and 2003.”

Yet, the cost of motor vehicle collisions is measured in more than claim dollars and lost productivity—for most nonprofit organizations, it is also measured in a loss of consumer confidence in the safety performance of the organization. More simply put, each vehicle crash, no matter how minor, begins to erode the trust of the families who depend on the nonprofit’s services, as well as the confidence of the surrounding neighbors who watch these vehicles careen down the streets where their children play.

The operation of commercial vehicles is a highly visible symbol of the organization’s commitment to quality, safety, and community service. Risk managers must realize that poor maintenance, cleaning, and especially poor driving will call negative attention to these vehicles and consequently to their organizations. Unfortunately, we have occasionally met risk managers who honestly believe that since their fleet vehicles bear no organizational logos or markings, they will “blend in” and remain “unnoticed” despite equipping these sedans, station wagons, and mini-vans with marginally



paid, minimally trained, and wholly unmonitored drivers.

Thankfully, the overwhelming majority of nonprofit risk managers that we partner with are true leaders who dedicate themselves to obtaining resources from insurers, agents, and private safety firms. They insist that standards be followed without exception and that no one will drive on behalf of the organization without full driver training and some follow-up mechanism to monitor driver performance (i.e. to enforce accountability for deviation from accepted practices).

Establishing an effective fleet safety program need not be a drain of time or resources on your budget. There are six simple steps that you can follow to assure success.

Step One

Develop and Communicate Your Driver Safety Policies

These policies address who is authorized to operate vehicles, how they will be qualified (as an authorized driver), what training they will receive, and for what purposes the vehicles may be driven.

Authorized drivers, by definition, have agreed to follow all safety policies and cooperate with safety instructions. They have also authorized the organization to obtain a Motor Vehicle Record from the state that issued their license in order to review any history of past tickets or police-reported collisions. Do not hesitate to act on this issue. You should realize that these records will likely be introduced by a plaintiff’s attorney following any serious crash involving your driver. Claiming that you were unaware of serious and numerous traffic offenses will not provide any defense in

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a courtroom situation. Your organization is much better off knowing and acting on this information before you entrust your driver with the lives of passengers! If the history of tickets or crashes exceeds your benchmark standard, then the driver may not drive on behalf of the organization—no exceptions!

Some organizations actually publish a driver agreement that is signed and placed in the personnel file of each authorized driver. The agreement outlines these policies and includes a commitment statement: "I agree to follow these guidelines to protect myself and any passengers that may be in my vehicle," etc.

Your policies on driving need to be enforced. Someone within your organization will need to be responsible to ensure that drivers are held accountable, and when infractions are found, some mechanism to dispense consequences should be in place. Careful construction of these policies may enable you to make use of existing disciplinary processes for enforcing the rules. This would increase the consistency of your management practices and save time in setting up your fleet safety program.

Most organizations designate a fleet safety coordinator to monitor the program, track statistics, file insurance claims, conduct training, and monitor driver performance. This person should have the support of the executive director and other top management so that they can set direction and enforce the policies.

Step Two

Train your drivers on all the issues they are likely to confront: driving safely, special situations like extreme weather, and how to properly handle passengers who may have special concerns or present distractions to drivers.

Most insurance carriers and agents who specialize in nonprofit organizations have training resources available—sometimes for free or very low cost. These training

materials are typically uniquely tailored to nonprofit organizations and can be found in a wide range of formats: web-based training, videos or DVDs, and classroom-style training programs. Be sure to keep records of who received training and remember that training programs, no matter how well constructed, need to be repeated periodically to keep the information in the front of your employee's minds.

Step Three

Monitor Your Drivers' Performance

Seasoned safety experts agree that training alone does not prevent accidents. People can know how to drive safely, but they don't always feel compelled to actually drive safely. A program to monitor drivers' performance gives the fleet safety coordinator feedback on who is adhering to the driver safety policies and who is using the training that they've received. For some organizations, it may be as simple as arranging for the fleet safety coordinator to ride along with each driver periodically. During this ride-along, a checklist can be used to note whether signals are being used properly, whether following distances are adequate, etc. If any negative behaviors are discovered, immediate training should follow to correct the issues—the driver should not drive unless the training has been completed.

Organizations with more than 10 full-time drivers usually cannot maintain a ride-along program without the resources to support a dedicated, full-time fleet safety coordinator; therefore, a driver monitoring service might be used to provide insights into driver performance.

A growing trend among nonprofit organizations has been to utilize a safety hotline service that places a toll-free hotline number on the vehicle to solicit feedback from motorists on driver performance. In addition to reports on driving issues, there are also occasional reports about other safety issues such as

passengers left alone in the vehicle for extended periods of time, etc.

Some insurers offer the program at no cost on the condition that the nonprofit firm agree to coach and counsel all drivers who receive reports about their performance. Most of these programs also include driver training materials as part of the package—a bonus resource to bolster your fleet safety program. SafetyFirst Systems of River Edge, NJ, monitors more than 4,000 drivers specifically from nonprofit firms. In each case, the nonprofit was provided with the system by its insurer to enhance its fleet safety efforts at no cost to the nonprofit firm. The program is easy to administer, and more information is available at the company's web site: www.safetyfirst.com.

Step Four

Make a Plan to Respond to Crashes That May Happen During the Year

The old adage, "an ounce of prevention beats a pound of cure" certainly applies to accident management. Take time to train drivers on what to do during a traffic crash—it will help them remain calm, take care of any passengers, and properly notify the appropriate emergency response providers.

Many insurance agents and claims teams can provide assistance in designing an accident reporting kit. These kits contain a small pencil and a note-taking form that covers the essential information that a driver should gather following a crash. Drivers should be trained on how to complete the form and what information to supply to other drivers.

The fleet safety coordinator should review all crashes to learn the cause, whether the crash was preventable (or avoidable), and what could be done to avoid similar crashes in the future.



Step Five

Establish a Vehicle Inspection and Maintenance Program

While it is critical to establish policies about driver safety, it is equally important to describe how vehicles will be inspected and maintained for safe operation.

These policies cover using the right type of vehicle for each situation to avoid overloading or instability (rollover crashes), general appearance and upkeep, periodic inspections for defects, and ongoing maintenance such as checking air pressure in tires and fluid levels.

Did you know that improperly inflated tires lead to early replacement, blow outs, and significantly worse fuel economy? If your drivers are not routinely checking air pressure, you could be wasting a lot of money and putting your employees at risk of injury!

Step Six

Work with Your Consumers to Let Them Know That They Need to Cooperate with Your Safety Efforts

Passengers should be made aware of the role they play in their own safety—seatbelts must be worn, they should not distract drivers, etc.

There are many ways to educate clients to the most common issues: handouts, safety newsletter mailings, and signs in vehicles demonstrating the most critical issues (seatbelt use, wheel chairs secured properly, etc.)

Summary

Fleet safety programs do not need to be complicated to be effective; however, they do need top management's sincere support, a coordinator to take charge, and consistent application of the policies. Ongoing driver training that is backed up by an effective monitoring program ensures that drivers understand the expectations set out by the management policies. Finally, enlisting the cooperation and support of your passengers will help close the loop on a team effort to avoid needless injuries from traffic crashes.

There are many resources available to help set up your fleet safety program. The best place to start is your insurance provider who has a sincere interest in your team's ability to avoid collisions. Next there are several government agencies and private organizations that routinely publish information to help all sorts of organizations with their safety efforts. ■

Resources

1. Nonprofit Risk Management Center (www.nonprofitrisk.org) provides "... tools, advice and training to control risks."
2. The Network of Employers for Traffic Safety (NETS—www.trafficsafety.org) provides driver handouts, sample fleet safety policies, and educational seminars to help employers deal with driver-vehicle safety issues.
3. The Occupational Safety & Health Administration (OSHA) provides education, case studies, sample policies and more at its web site: www.osha.gov.
4. American Society of Safety Engineers—various resources, including the newly adopted, national standard for fleet safety programs—the ANSI Z15 standard (www.asse.org).
5. SafetyFirst Systems is a leading provider of driver monitoring programs and is the preferred vendor for many insurers who specialize in nonprofit insurance programs. www.safetyfirst.com and http://my.safetyfirst.com/newsfart/AutomotiveFleet2006sf.pdf.

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Loss Control Interest Group Chairman

Debra L. Dettmer, CPCU
Farm Credit Council Services
E-mail: debbie.dettmer@fccservices.com

Loss Control Quarterly Editor
Charles H. Morgan, J.D., CPCU, CLU, CSP, ARM
E-mail: cmorgan917@gmail.com

Loss Control Quarterly Assistant Editor
Julie L. Sealey, CPCU
Crum and Forster
E-mail: julie_sealey@cfins.com

Director of Technical Programming and Chapter/Interest Groups

John Kelly, CPCU
CPCU Society

Managing Editor
Michele A. Ianetti, AIT
CPCU Society

Production Editor/Design Joan Satchell

CPCU Society
720 Providence Road
Malvern, PA 19355
(800) 932-CPCU
www.cpcusociety.org

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CPCC Society
720 Providence Road
Malvern, PA 19355
www.cpccsociety.org

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